

Barriers to Strategy Implementation by Mid Sized Companies in Kenya

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Abstract

This paper builds on previous studies and examines the barriers to strategy implementation by mid sized companies in Kenya. The study looks closely at the barriers which can either be internal; management, communication, human factors such as resistance to change, leadership, organizational structure, information systems and technology or external factors; changes to the operating environment, un-anticipated competition or entrants by new players in the industry and changes in government policies. It further recommends ways on how to overcome these barriers.

Index terms— internal barriers, external barriers, strategy implementation, mid sized companies

1 Introduction a) Concept of Strategy

Mid size companies in Kenya know where they are, where they want to be in some years to come and what actions to take in order to get there. They have clear and elaborate plan of their vision and mission statement. According to Johnson and Scholes (2002), as quoted by Musyoka, (2011), strategy is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations. In other words, strategy is about: where the business is trying to get to in the longterm; the markets it should invest in and the kind of activities involved in such markets; how the business can perform better than the competitors in those markets; the resources (skills, assets, finance, relationships, technical competence, facilities) required to enable it to compete; the external environmental factors that affect the business' ability to compete, and the values and expectations of those who have power in and around the business. She further state that strategy is often conceptualized as a term for operating at both the corporate and competitive level.

2 b) Strategy Implementation

Strategy implementation is process or paths that an organization takes in order to be or reach where it sees itself in the future. It's the process or path that leads to where the organization sees itself in the future. Musyoka, (2011) argues that Strategy implementation is largely an internal administrative activity. It entails working through others, organizing, motivating, culture Author: Jomo Kenyatta University of Agriculture and Technology, Mombasa CBD Campus. e-mail: amadegwa@gmail.com creating strong links between strategy and how the organization operates. It also entails a process of converting the formulated strategies into viable operations that will yield the organization's targeted results. She further argues that delicate and sensitive issues are involved in strategy implementation, such as resource mobilization, restructuring, cultural changes, technological changes, process changes, policy and leadership changes. The changes can be adaptive (calling for installation of known practices), innovative (introducing practices that are new to adopting organizations) or radically innovative (introducing practices new to all organizations in the same business or industry) (Byars et al., 1996). Barriers are those factors that obstruct, prevent, block or hinder in the process of strategy implementation. These factors are an impediment or stumbling block thus making it hard for the organization to achieve or to realise its goals

of being where it want to be in the years to come. The barriers to strategy implementation can either be by internal or external sources within an organization. These barriers are dependent on the type of strategy, type of organization and prevailing circumstances which can be avoided if strategy development is coupled with implementation. The lack of understanding of a strategy and the inability to connect strategy formulation and implementation has an impact on successful implementation.

3 d) Internal Sources

This is the biggest barrier to strategy implementation in mid size companies in Kenya. The staffs are complacent where they are and will resist any strategic changes being introduced by the organization. They would rather maintain the status quo than embrace the unknown changes introduced into the organization.

Systemic barriers results when the organization indirectly does not support a strategy thus leading to the process of strategy implementation lagging behind. Also issues such as unanticipated problems arising at the time of strategy implementation, when strategy implementation goes beyond the planned time, rigid and bureaucratic organizational structure and insufficient financial resources to execute the strategy form part of systemic barriers. For any strategy to be fully implemented, it requires well trained and competent manpower. But the cost of training the staff, lack of qualified people to train and limitation in time may act as a barrier to strategy implementation. A times strategy, implementation is resisted because it was introduced by certain managers and so the staff try to oppose him through resisting anything he introduces or when the staff realises they stand to loose if the existing structures are done away with. Resistance to change normally leads to delays, additional costs and destabilizes organization change process. People working in an organization sometimes resist change proposals and make strategy difficult to implement ??Lynch, 2000).

Behavioural barriers may be exhibitedat an individual or group level in an organization. Mistrust, Narrow-mindedindividuals self interest, misunderstanding, intolerance and formed opinions give rise to the behavioural barriers. Lacks of direction from manager's leads to employees not knowing what the organization is expecting from them. Also apart of the employees could have built their own goals aligned to the organizational goals. However, the organization goals might be different from how the employee has understood them and set the goals.Motivation problems can also make some employees to put their own interest over the organization at the organization's expense. A motivational problem arises also when an organization favors other departments thus the departments not favored may boycott any strategic direction by the organization. Employees also compare what and how other organization are doing and expect at least the same level in their own organization.

Culture also can be a barrier to strategy implementation. Inappropriate systems utilized during the process of operationalization, institutionalization and control of the strategy are often sources of challenges during strategy implementation. Lack of leadership from top executivesarises when the top managers and leaders do not commit themselves to the process of strategy implementation in an organization.

Buluma1 et al., (2013), quotes Wright (2003) who indicated that the planning of strategies dictates the direction of an organization for a year or more. Therefore, for an organization to be able to achieve its targeted strategic objectives the entire organization should be involved. Strategic plans may fail to produce the desired results as noted by (Noble, 1999) who said that "organizations may have formulated the best strategies but the strategies may fail to produce the desired results if they are not implemented in the right way".

They cited various studies that have focused on institutional related factors that hinder the implementation of strategies in organizations such as Herbiniak and Snow (1982) findings which indicated that, the participation and the interventions among the highest level of management in an organization promotes greater commitment levels in the implementation of a firms vision and strategies which in turn promotes success in the implementation of a firms selected strategy. Smith and Kofron (1996) believed that the senior management played a major role not only in the formulation, but in the implementation of the strategy while Nutt (1986) suggested that the tactics used in leadership styles may play important roles in overcoming obstructions from the lower levels that sometimes my appear in the implementation strategies. Nutt (1987) noted that strategic decisions formulated by the top-managers of a firm may be administratively imposed on lower-level managers and non-managers while inadequately considering the resulting functional level perceptions. The implementation of strategies therefore, may not be successful if the lower level managers and the non-management employees are not adequately informed on issues concerning the implementation of strategies, moreover, where the information passes through several management levels in an organization may lead to lack of consensus concerning the information hence creation of a barrier that hinders the success of implementing a strategy (Noble, 1999).

According to Alexander (1985) findings, communication was among the most frequently mentioned item which was behind the promotion of successful implementation of a strategy. Therefore effective communication should explain clearly the new responsibilities, duties and tasks which are to be done by the targeted employees. Chimanzi and Morgan's (2005) study indicated that firms which focus their attention to marketing and involvement of all employees significantly realize higher percentages of strategy implementation. Therefore, Chimanzi and Morgan's (2005) proposed that managers in charge of marketing should focus on improving relationships with the their counterparts (human resource) by advocating for communication which is written and reward systems which are joint hence putting more emphasize on a two way process based dimension. Heide, Gronhaug and Johannessen (2002) other hand observed that there existed various communication related challenges. The communication related issues could have been brought about by the structure of the organization which intern leads to the

creation of a barrier to the implementation of the strategic activities which had been planned. Rapert, Velliquette and Garretson (2002) observed that shared communication and understanding among human resources is an important aspect in strategy implementation process. For instance, through communicating vertically, the shared understanding about the prioritized strategies are likely to be enhanced hence leading to improvements.

e) External Sources These are sources which are external to the organization and include factors such as Economic, Politico-legal, social, technological and environmental. These barriers have adverse effect on strategy implementation.

Economic factors are the people purchasing power which depends on their current income, savings, prices and credit availability. Changes in the economic environment affect the overall financial performance of an organization.

Social environmental factors relates to the changes in social values, behaviours and attitudes regarding childbearing, marriage, lifestyle, work, ethics, sex roles, racial equality, and social responsibilities among others will have effects on firms' development ??Pearce and Robinson, 2003).

Politico-legal relates to unanticipated changes in the government policies such as taxation, changes in legislation, incentives, environmental protection and education policies.

The entrance of important new competitors into the industry may throw an organization in tantrums. Anticipated new substitute or competing products may render the organization's products uncompetitive ??Pearce and Robinson, 2003). Operating environment changes, such as in the Customer profiles, need to be anticipated and strategies adjusted to match customer expectations ??Pearce, and Robinson, 2003).

The challenge of advances in innovation technology means an organization has to ensure that its staffs are up to date. The resources required in order to implement the strategy can be beyond the organizations capability thus leading to the strategy not being implemented.

According to Canhada (2011), the barriers to strategy implementation include Lack of consensus, understanding and transparency regarding the meaning of the enterprise mission and vision, Lack of relation between strategic content and strategic process, Lack of coherence between strategic planning and resource allocation, Lack of strategic feedback, A relatively inflexible formal structure due to IT, Lack of involvement of the organization's management and Using models that are ill-suited to organizational reality. Managers are trained to plan, not execute. Managers have been educated and trained to plan the strategy, not to execute. In major MBA programs strategy implementation is not kept to any level, but only formulation. Instead, execution is learned in on-the-job experience.

Top management task is to plan, let the operational level implement strategy. Top level management aim is to plan and think strategically, while action left to operational level employees. The sensitive subject here is also division in "smart" and "not quite as smart" or "doers" groups, which lead to separation.

4 Planning and implementation are separated processes

Planning and implementation has been separated from each other. Planning affects execution, the execution, in return, affects changes to strategy and planning over time.

Faster is not always better, thus, implementation is a process that takes longer time than formulation. The execution of the strategy usually requires more time than formulation. The longer time frame can make harder to focus on and control the execution process.

5 Strategy communication becomes challenge execution involves more people than strategy formulation

This presents additional problems. Communication across different functions becomes a challenge. Linking strategic objectives with day-to-day activities at different organizational levels becomes a legitimate, but challenging task.

Execution is the process, not an action or step. Execution is not the result of a single decision or action. It is a result of a series of integrated decisions of actions over time. Execution is a process that demands a great deal of attention to make it work.

6 II.

7 Methodology

This study was conducted using a combination of secondary sources. It was therefore a desk study of an exploratory nature. In exploratory studies, important principles, hypotheses and solutions can easily be formulated. This study investigates the barriers to strategy implementation in mid sized companies in Kenya and recommends ways on how to overcome them.

158 **8 III.**159 **9 Conclusions**

160 The study sought to determine the barriers to strategy implementation in mid sized companies in Kenya. The
161 barriers were found to be from external and internal environment to the organization. The major A barriers
162 identified from the internal operating environment were behaviour resistance to change, inappropriate systems;
163 specifically the structure, culture, leadership, systems used in the organization that did not have a strategic fit with
164 the strategy. The inadequate human physical and financial resources were also a key challenge in implementation.
165 Other major internal barriers were poor communication on the organization strategy, insufficiency in effectiveness
166 of the employees involved, lack of proper training and instruction given to the lower employees, advocates and
167 supporters of the strategic decision left the organization or did not play an active role in implementation and
168 lack of staff motivation for executing the plan.

169 The external barriers were found to be business macro factors in the operating environment and they include
170 factors such as stiff competition compounded by new entrance of important new competitors into the industry, un-
171 anticipated new substitute or competing products, stakeholders in the operating environment such as customers,
172 creditors, government and the politico-legal status of the organization in the operating environment.

173 IV.

174 **10 Recommendation**

175 From the research, barriers that were found to be significantly strong suggest the need to take certain action in
176 order to overcome these barriers. The research suggests that during planning, more emphasis should be placed on
177 the implementation. Most of these barriers can be overcome if they are accounted for during the formulation stage.
178 It is obvious that many strategic plans fail to realize the anticipated benefits due to problems & difficulties faced
179 during implementation. Managers aiming to overcome these barriers should:-1. Have a visionary top management
180 that has knowledge of the processes and also knows how to create an organization that works together, support,
181 encourage and provide resources that will enable the organization fully implement its strategies. 2. Clarify the role
182 of organizational structure and positions in the implementation of strategies. 3. Ensure that supportive structure
183 is in place to provide staff employees with the needed training & instructions during implementation phase. 4.
184 Involve strategic influencers in recommendations/ support of follow-through implementation tasks. 5. Spend
185 more time and analysis on identification of problems in implementation. 6. Develop and evaluate strategies that
186 expedite implementation. 7. Link employee performance during implementation phase with the overall reward
187 and compensation system in the organization. 8. Develop a good information system where employees will be
188 updated on implementation tasks. 9. Align its own organizational structure to what the strategy is calling for in
189 order to enhance effectiveness of communication and coordination during implementation processes. 10. Ensure
190 that the entire management is involved and maintain focus during the implementation processes. 11. Have higher
191 involvement of lower level employees in strategic planning inputs and feedback. 12. Involve employees in the
192 formulation of goals.

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Figure 1: Figure 1 :

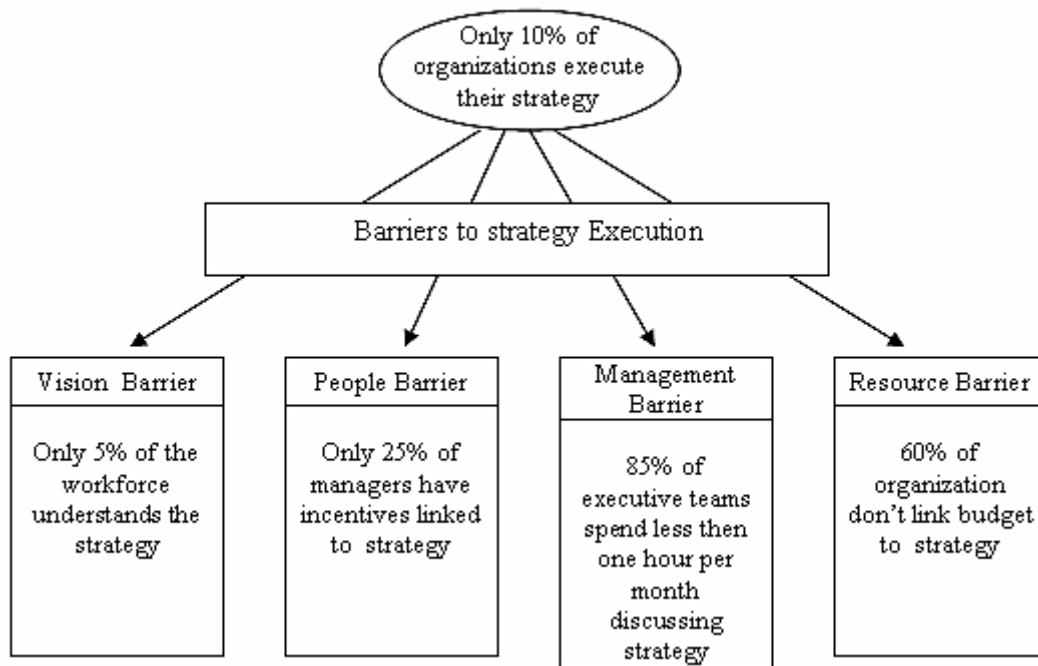


Figure 2: Table 1 :



Figure 3: Volume

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