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Factors Influencing Strategy Implementation in the Bakery Industry in Mombasa County

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Abstract:

The purpose of this study was to examine the factors influencing implementation of strategic plans in bakeries in Mombasa County. Specifically, the study sought to examine the influence of managers, top management commitment, organisational communication, and organisational structure on strategy implementation. This was a descriptive study design. The population was 12 bakeries in Mombasa with a total of 48 managers and owners. Stratified sampling was used to select a sample of 40 managers and owners. Primary data was collected using questionnaires. Analysis was aided by SPSS version 22 and descriptive analysis was used to interpret the results. The study found that most bakeries in Mombasa had strategic plans. The study also found that organisational communication within the bakeries had a significant effect on the way strategy was implemented as most of the respondents confirmed. The results also revealed that most of the respondents were in agreement that top management commitment was key to strategy implementation in the bakeries. The results further showed that the structure of the organisation was important for the implementation of strategic plans as agreed by most of the respondents. The study concludes that organisational communication among the various stakeholders in the organisation is key in influencing the success or failure of strategy implementation. The study further concludes that top management commitment is a significant factor that influences the process and outcome of strategy implementation. Lastly, the study concludes that organisational structure is a significant factors that influences strategy implementation in organisations. As was seen in the bakeries in Mombasa, the structure plays a key role as it helps provide for a structural means through which strategy is implemented. The study recommends that for organisations to have a successful implementation of their strategies, firms should ensure that organisational communication process is in place in order to have success at strategy implementation. Secondly, the study recommends that there is need for top management to be committed to the process of strategy implementation if the outcome must be successful. Lastly, the study recommends that organisational structure must be aligned to the strategy in order for the process of strategy implementation to be successful.

1. Introduction

1.1. Background

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. The environmental conditions facing many firms have changed rapidly. Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated. Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organisation, even if in some cases actual implemented strategy can be very different from what was initially intended, planned or thought. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Olson & Slater & Hult, 2005).

In recent years organisations have sought to create greater organisational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms (Balogun and Johnson, 2004). Responsibility, resources and power in firms has been the subject of decentralization and layering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies (Chebat, 2006). The role and tasks of those employees charged with strategy implementation duties, the mid-level managers, in these new restructured organisations is under scrutiny.

Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 2005). Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al., 2005). However, as strategy implementation is both a multifaceted and complex organisational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10 percent (Judson, 2005). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (2005) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble and Mokwa, 2005). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In response, generalizations have been advanced in the form of encouraging: early involvement in the strategy process by firm members (Hambrick and Cannella, 2007); fluid processes for adaptation and adjustment (Drazin and Howard, 2006); and, leadership style and structure (Bourgeois and Brodwin, 2005).

The main functions of strategic management have been explained by Robbins and Coulter (2006) as identifying the organization's current mission, objectives, and strategies, analyzing the environment, identifying the opportunities and threats, analyzing the organization's resources, identifying the strengths and weaknesses, formulating and implementing strategies, and evaluating results. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of the functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 2012). According to Schermerhorn (2009), strategies must be well formulated and implemented in order to attain organizational objectives.

Schermerhorn (2009) determined that the strategy implementation process included the many components of management and had to be successfully acted upon to achieve the desired results. Here, the critical point is that effective and successful strategy implementation depends on the achievement of good "fits" between the strategies and their means of implementation.

Robbins and Coulter (2006) have taken into consideration that no matter how effectively a company has planned its strategies, it could not succeed if the strategies were not implemented properly. Harrison (2006) also clarified that the more ineffective the top management decisions, the more ineffective are the choices made at lower levels of management. Similarly, if top management's strategic choices tend to be successful, it reflects favorably on choices made in other parts of the organization.

Simons and Thompson (2008) referred to three categories of factors that affected strategic decision-making process: environmental factors; organizational factors; and decision-specific factors. Here, environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organizational factors refer to organizational structure, organizational culture, structure of decision making board of directors, impact of upward influence, and employee involvement. Decision-specific factors can be explained as time, risk, complexity, and politics. According to Porter (2009) strategists must assess the forces affecting competition in their industry and identify their company's strengths and weaknesses, then strategists can devise a plan of action that may include first, positioning the company so that its capabilities provide the best defense against the competitive force; and/or second, influencing the balance of the forces through strategic moves, thereby improving the company's position; and/or third, anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it.

Beer et al. (2010), and Woolridge and Floyd (2010) emphasized that the strategy implementation could be more difficult than thinking up a good strategy. Harrison and Pelletier (2008) explained that the real value of a decision surfaced only after the implementation of a decision. In other words, it will not be enough to select a good decision and effective results will not be attained unless the decision is adequately implemented. Hitt and Tyler (2011) argued that it was essential that strategic level manager's demographic characteristics should have been examined for the formulation and implementation of strategic decisions.

Wessel (2013) stated that there were mostly individual barriers to strategy implementation such as too many and conflicting priorities, insufficient top team functions, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. Eisenstat (2013) pointed out that most companies trying to develop new organization capacities failed to get over these organizational hurdles: competence, co-ordination, and commitment. Sandelands (2014) indicated that there were difficulties to conjecture the commitment, time, emotion, and energy needed to translate plans into action. McGrath et al. (2014) explained that the political turbulence might be the most important issue facing any implementation process. Lingle and Schieman (2014) stated that market, people, finance, operation, adaptability, and environmental factors play a vital role to long-term successful strategy implementation.

Christensen and Donovan (2008) mentioned that intended strategies would be implemented as they have been envisioned if three conditions were met. First, those in the organization must understand each important detail in management's intended strategy. Second, if the organization is to take collective action, the strategy needs to make as much sense to each of the members in the organization as they view the world from their own context, as it does to top management. Finally, the collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces.

Peng and Litteljohn (2011) noted two dimensions of strategy implementation: structural arrangements, and the selection and development of key roles. According to Govindarajan (2009), effective strategy implementation is affected by the quality of people involved in the process. Peng and Litteljohn (2011) claimed the quality of people as skills, attitudes, capabilities, experiences and other characteristics required by a specific task or position.

1.2. Statement of the Problem

Strategy implementation is an enigma in many companies. The problem is illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps and Kauffman, 2005). The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success is an integrative view of the implementation process (Raps and Kauffman, 2005). Given the important role the bakery industry in Mombasa County, it is important that in order for them to survive, the whole process of strategy formulation and implementation need to be successful.

Kenya is experiencing a revolution in which supermarkets like Uchumi, Nakumatt, Tuskys and Naivas are baking goods to fiercely compete with the leading traditional bakers. For example, people are now more likely to go Tuskys for their bread as it is freshly baked. The trend was started by Uchumi supermarkets and is now led by Tuskys with branches all over the country (Euromonitor International, 2014). Sales of baked goods are expected to increase over the forecast period, seeing a constant value CAGR of 5%. Growth will be fuelled by the increasing incomes driving growth in the largest category of bread. The global prices for wheat and sugar will slow down, enabling an increase in production due to higher demand. With these estimations and the rising competition from supermarkets, the bakery industry especially in Mombasa is taking the heat and its growth is at stake. To better compete, they require better execution of their strategic plans. Most of them have strategic plans in place but it is the execution that has been lacklustre. Given the importance of this processes, this study sought to fill the gap by seeking answers to the following research question: what factors influence strategy implementation in bakeries in Mombasa County?

1.3. Objectives

1.3.1. General Objective

The main objective was to examine the factors influencing implementation of strategic plans in bakeries in Mombasa County.

1.3.2. Specific Objectives

The specific objectives were:

- i. To assess the effects of communication on strategy implementation in bakeries in Mombasa County.
- ii. To determine the effects of top management commitment on strategy implementation in bakeries in Mombasa County.
- iii. To examine the effects of organisational structure on strategy implementation in bakeries in Mombasa County.

1.4. Research Questions

- i. What are the effects of communication on strategy implementation in bakeries in Mombasa County?
- ii. What are the effects of top management commitment on strategy implementation in bakeries in Mombasa County?
- iii. What are the effects of organisational structure on strategy implementation in bakeries in Mombasa County?

1.5. Justification

The findings of this study are of benefit to the staff and management of various bakeries since they shed light on the factors influencing strategy implementation process. The findings also shed light on how such effects can be managed in order to make the strategy implementation process more objective and results oriented.

Policy makers in the field of strategic management can use the findings of this study to come up with universally applicable strategies that can enable alignment of the organizational strategy with a number of factors in order to facilitate the attainment of strategic ambitions of organizations.

The academia and business researchers can borrow from the findings of this research to support literary citations as well as develop themes for further research. Specifically, the study makes theoretical, practical and methodological contributions. The findings contribute to professional extension of existing knowledge in Strategic Management by helping to understand the current challenges in strategy implementation process in various business organizations.

1.6. Scope

The conceptual scope of this study was strategy implementation. The contextual scope is the bakeries in Kenya and more specifically those in Mombasa County. The variables were evaluated in relation to their effects on the strategy implementation process in bakeries. The researcher targeted owners and managers of bakeries in Mombasa County. The period of study was between July 2014 and April 2015.

1.7. Limitations

The research was limited by the fact that some the respondents were unwilling to divulge all the needed information due to fear of victimization by the management or giving out trade secrets to the competitors. However, this limitation was overcome by assuring the respondents that the information gathered was handled confidentially and used solely for the purpose of this study.

2. Literature Review

2.1. Introduction

In this chapter, the theories of strategy implementation are presented and discussed. These theories are balanced scorecard, McKinsey's Model, and contingency theory. The next section presents an empirical review of strategy implementation factors namely executors, commitment, communication, and organisational structure. A critical review of literature is then provided followed by a summary of literature and research gaps.

2.2. Theoretical Framework

2.2.1. Balanced Scorecard Model

The process of creating an organizational balanced scorecard essentially commences with a full strategic appraisal and the clear articulation of the organization's strategic vision and objectives (Kaplan and Norton, 2012), this process can in itself can build consensus and engender learning which can be of enormous value (Neely et al., 2010). Through this process of definition and communication of core values throughout an organization, moreover, the Balanced Scorecard provides an effective "boundary" control system (Mooraj et al., 2009).

As the balanced scorecard approach makes explicit the "cause and effect" of a strategy, it also usefully converts strategic aims into tangible objectives and measures (Brander and Atkinson, 2001). This stage, moreover, if the scorecard is implemented participatively with measures identified and targets set cooperatively rather than imposed (Decoene and Bruggeman, 2006), actively supports organizational learning and reflection, which encourages "interactive" control through the testing of "cause and effect" relationships (Mooraj et al., 2009). This also enables front line managers to have a "basis for selecting among the diverse opportunities they might face" (Bartlett and Goshal, 2006) and resisting the distraction of other activities (Beer and Eisenstat, 2010).

2.2.2. McKinsey's Model

McKinsey's model describes the seven factors critical for effective strategy execution. The 7-S model identifies the seven factors as strategy, structure, systems, staff, skills, style/culture, and shared values. Strategy is the plan of action, an organization prepares in response to, or anticipation of, changes in its external environment. Strategy is differentiated by tactics or operational actions by its nature of being premeditated, well thought through and often practically rehearsed. It deals with essentially three questions, (1) where the organization is at this moment in time, (2) where the organization wants to be in a particular length of time and (3) how to get there (Kaplan, 2005).

Structure refers to the way in which tasks and people are specialized and divided, and authority is distributed; how activities and reporting relationships are grouped; the mechanisms by which activities in the organization are coordinated (Kaplan, 2005). Systems refer to the formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems (Kaplan, 2005). Every organization has some systems or internal processes to support and implement the strategy and run day-to-day affairs. Staff refers to the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees (Purcell and Boxal, 2013).

Skills refer to the distinctive competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships (Kaplan, 2005). Style/culture refers to the leadership style of managers – how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees) (Kaplan, 2005). Lastly, shared values refer to the core or fundamental set of values that are widely shared in the organization and serve as guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees (Kaplan, 2005). All members of the organization share some common fundamental ideas or guiding concepts around which the business is built.

2.2.3. Contingency Theory

Contingency theory is a class of behavioural theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions (Galbraith, 2013). Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. Several contingency approaches were developed concurrently in the late 1960s.

Contingency theory (Galbraith, 2013) has defined uncertainty as the variable which makes the organization contingent upon the environment. Hence, organization design, and thus organizational choice, depends on the concept of uncertainty. Briefly, uncertainty can be associated with the mathematical concepts of probability and fuzziness (Klir & Folger, 2008) or propositions of bounded rationality (Nobre, 2008).

2.3. Conceptual Framework

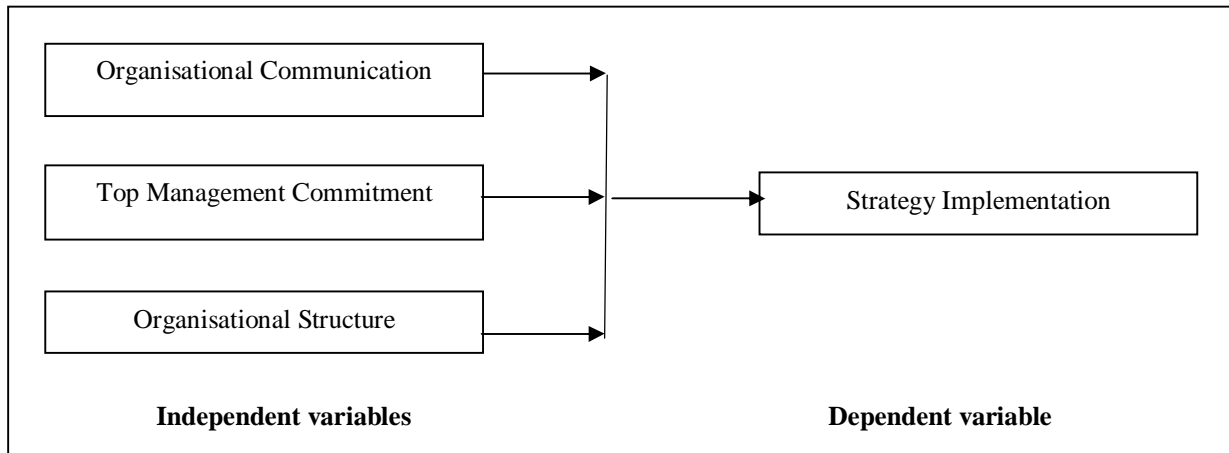


Figure 1: Conceptual Framework

2.3.1. Organisational Communication

At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 2005), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

Forman and Argenti (2005) rightly note that, “although an entire discipline is devoted to the study of organizational strategy, including strategy implementation, little attention has been given to the links between communication and strategy.” But Forman and Argenti also note that business communication researchers have become increasingly interested in the contribution of corporate communication to a company’s ability to create and disseminate its strategy in the last decade. However, very few authors have investigated the link between corporate communication and strategy, and – when they have – their focus has primarily been on how corporate communication affects the firm’s relationship with its various stakeholders.

At least, numerous researchers have already emphasized the importance of communication for the process of strategy implementation (Forman & Argenti, 2005; Schaap, 2006). Based on interviews with 21 presidents and 25 governmental agency heads, Alexander (2005) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly.

Rapert and Wren (2008) find that organizations where employees have easy access to management through open and supportive communication climates tend to outperform those with more restrictive communication environments. Also the findings of Peng and Littljohn (2011) show that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation.

Communication barriers are reported more frequently than any other type of barriers, such as organizational structure barriers, learning barriers, personnel management barriers, or cultural barriers. Heide, Grønhaug and Johannessen’s (2012), for example, indicate that there are various types of communication problems (without specifying what they are). These communication issues may be influenced to some extent by the organizational structure. According to Heide, Grønhaug and Johannessen, they constitute the key barrier to the implementation of planned strategic activities. Rapert, Velliquette & Garretson (2012) state that communication and shared understandings play an important role in the implementation process. In particular, when vertical communication is frequent, strategic consensus (shared understanding about strategic priorities) is enhanced and an organization’s performance improves. They explore vertical communication linkages as a means by which strategic consensus and performance can be enhanced. The study of Schaap (2006), which was conducted in the casino industry within the state of Nevada, shows that over 38 percent of the senior-level leaders do not communicate the company’s direction and business strategy to all of their subordinates.

2.3.2. Top Management Commitment

Shared understanding without commitment may result in “counter effort” and negatively affect performance (Rapert, Lynch and Suter, 2006). Some authors take shared understanding as a commitment. MacMillan & Guth (2005) and McDermott & Boyer (2009) all think that the shared understanding of middle management and those at the operational level to the top management team’s strategic goals is of critical importance to effective implementation (Rapert & Velliquette & Garretson, 2012). Strategy implementation efforts may fail if the strategy does not enjoy support and commitment by the majority of employees and middle management. This may be

the case if they were not consulted during the development phase (Heracleous, 2000). Alexander (1985) thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with CEOs). Some CEOs believe that one way to accomplish this is to involve employees and managers right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase.

Guth & MacMillan (2006) suggest that there are three fundamentally different sources of low to negative individual manager commitment to implementing a particular strategy: low perceived ability to perform successfully in implementing that strategy; low perceived probability that the proposed outcomes will result, even if individual performance is successful; low capacity of the outcome to satisfy individual goals/needs. Middle managers with low or negative commitment to the strategies formulated by senior management create significant obstacles to effective implementation.

Noble & Mokwa (2009) put forward three dimensions of commitment that emerged as central factors which directly influence strategic outcomes: organizational commitment, strategy commitment and role commitment. Organizational commitment is defined as the extent to which a person identifies with and works toward organization-related goals and values (Noble and Mokwa, 2009). Strategy commitment is defined as the extent to which a manager comprehends and supports the goals and objectives of a marketing strategy. Role commitment is defined as the extent to which a manager is determined to perform his individual implementation responsibilities well, regardless of his beliefs about the overall strategy. The primary dependent variable in Noble and Mokwa's (2009) study is implementation success, which they define as the extent to which an implementation effort is considered successful by the organization. At the individual level, role performance is a critical outcome which they define as the degree to which a manager achieves the goals and objectives of a particular role and facilitates the overall success of the implementation effort. Noble and Mokwa's findings suggest that an individual manager's implementation role performance will influence the overall success of the implementation effort. Both, strategy commitment and role commitment, were shown to influence role performance. However, the most commonly studied dimension, organizational commitment, showed no relationship to role performance in either of their samples. Their results highlight the complexity of the commitment construct and stress that the study of commitment to an organization alone does not explain this complicated variable fully.

2.3.3. Organisational Structure

Factors relating to the organizational structure are the second most important implementation barrier according to Heide & Grønhaug & Johannsson's (2012) study. Drazin and Howard (2004) see a proper strategy-structure alignment as a necessary precursor to the successful implementation of new business strategies (Noble, 2009b). They point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, it may exhibit poor performance and be at a serious competitive disadvantage. Gupta (2007) examines the relationships between SBUs' strategies, aspects of the corporate-SBU relationship, and implementation and finds that structures that are more decentralized produce higher levels of SBU effectiveness, regardless of the strategic context. Schaap (2006) also suggests that adjusting organizational structure according to perfect strategy can ensure successful strategy implementation.

Different strategy types have different requirements regarding an adequate organizational structure (White, 2006; Olson, Slater & Hult, 2005). White (2006) points out that the fit between business unit strategy and the internal organization of multi-business companies does have an effect on business unit performance. Specifically, business units with pure cost strategies experience higher ROI when they have low autonomy. Pure differentiation strategies benefit, in terms of sales growth, from strong functional coordination (with responsibility for key functions unified under the business unit manager). Similarly, the ROI of cost strategies is, on average, higher when some functional responsibilities are shared.

Olson, Slater and Hult (2005) identify a taxonomy comprised of four different combinations of structure/behavior types, which they label as: management dominant, customer-centric innovators, customer-centric cost controllers and middle ground. These alternative structure/behavior types are then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, Differentiated Defenders) in order to identify which combination (s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

2.4. Critique of Existing Literature

According to Alexander (2005), the ten most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. Based on empirical work with 93 firms he observed that senior executives were over optimistic in the planning phase and it is noteworthy that the first two issues which occurred most frequently in Alexander's study are planning issues. He also found the effectiveness of coordination of activities and distractions from competing activities inhibited implementation, in addition key tasks were not defined in enough detail. With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and "training and instruction given to lower level employees were not adequate" (Alexander, 2005). Although the least frequent in this study in many cases the information systems used to monitor implementation were not adequate.

Reed and Buckley (2008) discuss problems associated with strategy implementation identifying four key areas for discussion. They acknowledge the challenge and the need for a clear fit between strategy and structure and claim the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment. They warn that, although budgeting systems are a

powerful tool for communication, they have limited use in the implementation of strategies as they are dominated by monetary based measures and due to their size and the game playing associated budget setting “it is possible for the planning intent of any resource redistribution to be ignored” (Reed and Buckley, 2008). Another problem is when management style is not appropriate for the strategy being implemented, they cite the example of the “entrepreneurial risk taker may be an ideal candidate for a strategy involving growth, but may be wholly inappropriate for retrenchment” (Reed and Buckley, 2008).

Al Ghamdi (2008) replicated the work of Alexander (2005) in the UK and found for 92 percent of firms implementation took more time than originally expected, that major problems surfaced in 88 percent of companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in 75 percent and distractions from competing activities in 83 percent cases. In addition key tasks were not defined in enough detail and information systems were inadequate in 71 percent of respondents. What is interesting is that there is congruence between these findings, which implies that lessons have still not been learned; as Al Ghamdi states, “the drama still continues” (Al Ghamdi, 2008).

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2010) who assert that six silent killers of strategy implementation comprise: a top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development (Beer and Eisenstat, 2010). It is recognized that such change requires a shared vision and consensus (Beer et al., 2010) and “failures of strategy implementation are inevitable” if competence, coordination and commitment are lacking (Eisenstat, 2013).

Corboy and O'Corrbui (2009), meanwhile, identify the deadly sins of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; unclear individual responsibilities in the change process; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives. Overall though, it is increasingly acknowledged that the traditionally recognized problems of inappropriate organisational structure and lack of top management backing are not the main inhibiting factors to effective strategy implementation (Aaltonen and Ik avalko, 2012).

Rather, the major challenges to be overcome appear to be more cultural and behavioral in nature, including the impact of poor communication and diminished feelings of ownership and commitment (Aaltonen and Ik avalko, 2012). Aaltonen and Ik avalko recognize the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication” (Aaltonen and Ik avalko, 2012) meanwhile Bartlett and Goshal (2006) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes.

In addition to the above, another inhibitor to successful strategy implementation that has been receiving a considerable amount of attention is the impact of an organisation's existing management controls (Langfield-Smith, 2007) and particularly its budgeting systems (Marginson, 2012). Although it is increasingly suggested that budgets suffer from being bureaucratic and protracted, and that they focus on cost minimization rather than value maximization (Brander Brown and Atkinson, 2011), they still represent the main integrative control mechanism in many, if not most, business organisations (Otley, 2011).

2.5. Summary

Having reviewed the research contexts, results, theoretical bases, employed methods and analytical techniques used in the articles, we can now generalize regarding their main contributions. The research contexts of existing research on strategy implementation cover diverse organizational levels and organizational types. Several studies span different organizational levels, including corporate-level, SBU-level, functional-level, operational-level and mixed level. Among them, SBU-level, functional-level and mixed level foci have received more attention than the other two. In addition, the subjects of many studies are not only private corporations, but also public ones, not only local firms but multinational firms as well.

In terms of results, the articles reviewed not only discuss single factors that affect strategy implementation success (they are: strategy formulation and relationships among different units/departments and different strategy levels as mixed factors; soft factors: executors, communication, implementation tactics, consensus, commitment; hard factors: organizational structure, administrative systems), they also synthesize findings into elaborate (for example phase-based) frameworks and models – this, however with less rigor regarding the employed methods than the studies focusing on individual factors. So far in this review of literature on strategy implementation there is evidence of some recurring themes, including communication and coordination which are essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures.

2.6. Research Gaps

The empirical review has shown various studies done on strategy implementation in various economic sectors across the world. As was shown, there is a gap as concerns factors influencing strategy implementation in bakeries especially in the developing nations such as Kenya. This is therefore an area that needs further analysis.

3. Research Methodology

3.1. Introduction

This chapter covers the research design and methodology. It specifies the target a population as well as the sampling frame and size. Data collection methods are identified. A layout of the proposed pilot study is given. Data collection procedures and analysis methods are discussed here.

3.2. Research Design

The researcher used a descriptive survey design. A survey seeks to describe a phenomenon in a number of units at a particular point in time (Kombo & Tromp, 2006). The design was used because it allowed for an in-depth investigation of the effects of various factors on the strategy implementation process of bakeries in Mombasa County.

3.3. Target Population

Population refers to the larger group from which the sample is taken (Kombo & Tromp, 2006). The target population of interest during the study comprised of 12 bakeries in Mombasa County. The population is therefore 12 bakeries with 48 owners/managers (see list in appendix IV).

3.4. Sampling Frame

Since the target is the management and owners of bakeries in Mombasa County, the sampling frame was all the managers and owners of bakeries in the county. These were selected because they had the knowledge of the strategic direction of their firms. The sampling frame was 48 managers/owners.

3.5. Sample and Sampling Technique

The study employed a probabilistic sampling technique to select a sample size of 40 respondents being representatives of the 12 bakeries in Mombasa. The 40 respondents were selected using stratified random sampling technique by selecting the managers and owners from each of the strata as per the table below:

Population categories	Target Population	Sample size	Percentage (%)
Owners	12	10	25
Managers	36	30	75
Total population	48	40	100

Table 1: Sampling Technique and Sample Size

3.6. Instruments

Semi-structured questionnaires (see appendix I) were used to collect primary data from the respondents. The questionnaire was prepared by the researcher and administered on all the 40 respondents. The questionnaires contained four sections: The respondents' profile, effects of commitment on strategy implementation, effects of communication on strategy implementation, effects of executors on strategy implementation, and effects of organisational structure on strategy implementation. Appendix II shows the questionnaire.

3.7. Data Collection Procedure

Permission to collect data was sought through introduction letters. The questionnaires were hand delivered to each of the respondents. Secondary data was collected from relevant documents including management magazines, audited financial statements, and published studies on the subject, among others.

3.8. Pilot Study

The pilot study targeting at least 2 senior managers and 2 owners was done. The pilot study were conducted in order to familiarize the researcher with the area of study, test the validity, reliability, clarity, flexibility and applicability of the questions in the research questionnaire. Reliability of the research instruments was determined by their consistency in testing what they are expected to measure. To test for reliability the questionnaire used in the pilot study was edited accordingly upon detecting any ambiguous or unclear questions. The research instruments was pre- tested in order to check for validity of the questions in terms of clarity of the questions, suitability and simplicity of the language. This helped ensure that the questionnaires yielded the desired results when administered to the respondents.

3.9. Data Processing and Analysis

The data analysis process started with cleaning and checking the raw data for completeness by eliminating unusable data, interpreting and eliminating contradictory data from related questions. The Statistical Package for the Social Sciences (SPSS) computer program was used to analyze the cleaned data by use of descriptive statistics. Data was also analysed using correlation analysis. The results are presented in the next chapter.

4. Data Analysis and Results

4.1. Introduction

This chapter presents the results of data analysis. The chapter is organised as follows. The first section presents the results of bio-data. The second part presents the results on the factors influencing strategy implementation.

4.2. Background Information

A total of 12 bakeries took part in this study and the list is attached as an appendix at the end of this paper. All the bakeries sampled took part in the study giving a response rate of 100%. Most of the bakeries were established between 2001 and 2009 and are spread across Mombasa County. On average, the bakeries have 25 employees each who are bakeries, the manager and those who do deliveries. The annual sales revenues average Ksh. 20 million per bakery.

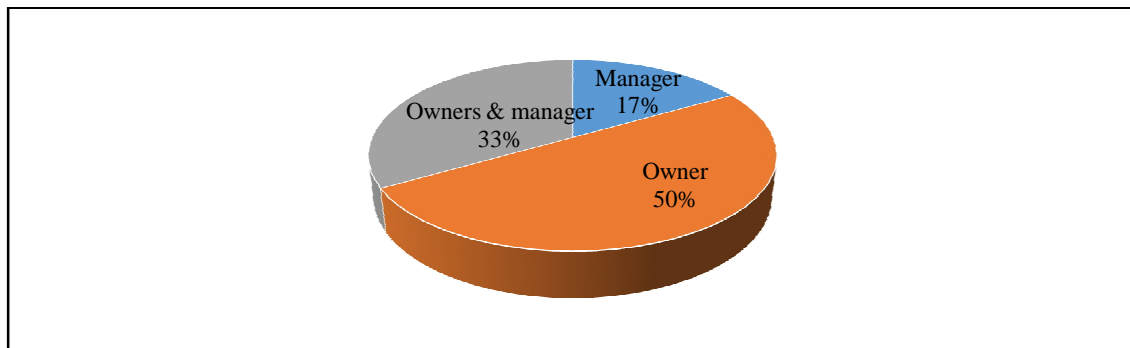


Figure 1: Designations of Respondents

The study sought to find out the designations of the respondents. It was found that most of the respondents (50%) were owners of the bakeries while 33% were both owners and managers. The remaining 17% were just managers. This suggests that most of the respondents were owners of the bakeries thereby making them best placed to respond to the research questions.

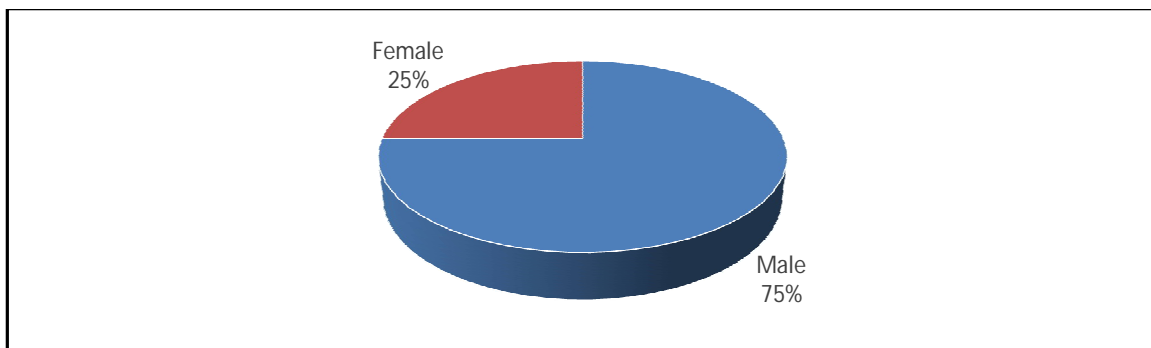


Figure 2: Distribution of Respondents by Gender

The gender of the respondents was also sought to determine the distribution of the management and ownership of bakeries in Mombasa County by gender. In terms of their gender, 75% were male and 25% were female. Thus, most of the respondents in the study were male and coincides with the ownership and management of bakeries around Mombasa as most of the entrepreneurs and managers are male.

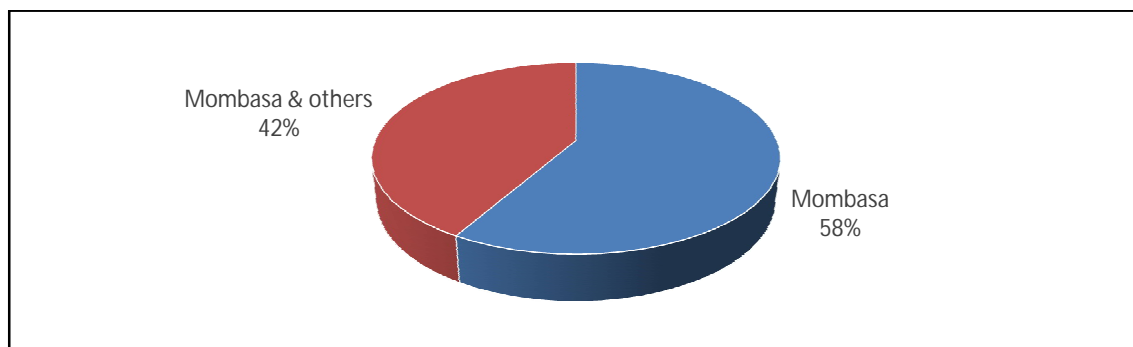


Figure 3: Bakery Coverage

The study sought to find out what coverage the bakeries serve. The results show that 58% of them cover Mombasa County only while 42% cover Mombasa and the neighbouring counties. These results suggest that most of the bakeries surveyed were supplying within Mombasa County. This limited reach might be due to resource constraints as most of the bakeries are in the SME category.

4.3. Factors Influencing Strategy Implementation

4.3.1. Existence of Strategic Plans

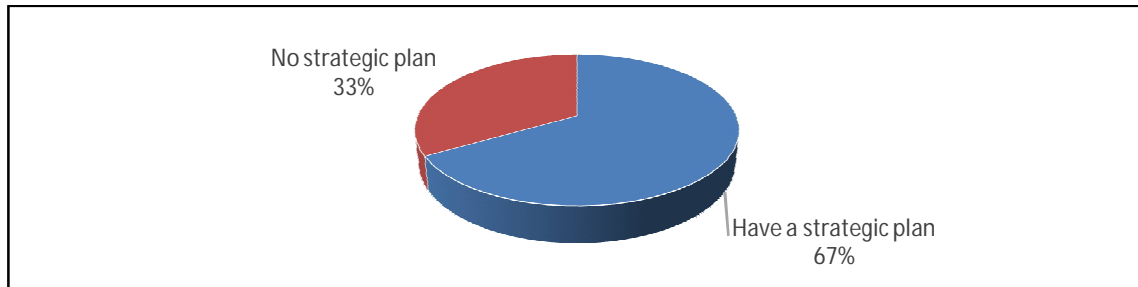


Figure 4: Existence of Strategic Plans

The study sought to find out whether the bakeries had strategic plans. The results shown in the chart reveal that 67% of the bakeries has a strategic plan while the remaining 33% did not. The results reveal that majority of the bakeries have a strategic plan in place and this is good as it gives them a sense of business direction. On the other hand, a number of them do not have a plan in place which makes it risky to define their future prospects.

4.3.2. Involvement in Formulation of Strategic Plans

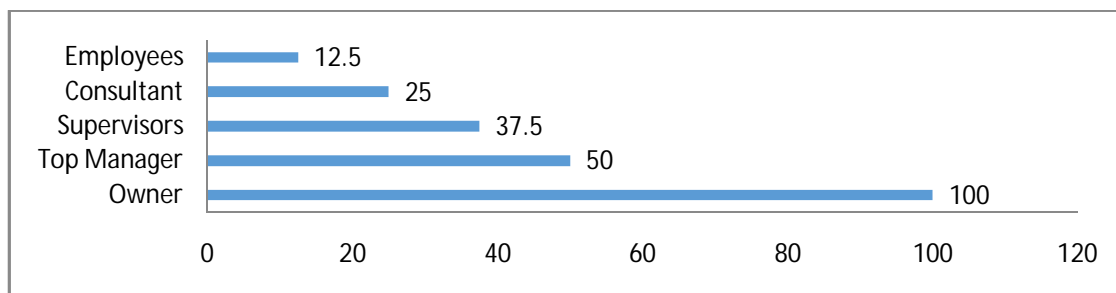


Figure 5: Stakeholders in Formulation of Strategic Plans

The respondents were asked to state who were involved in the formulation of their strategic plans. The results in the chart below show that in all the bakeries, the owners were involved. The results also show that 50% of the bakeries involved their top managers, 38% involved their supervisors, 25% involved a consultant while only 13% involved the employees. These results suggest that involvement in the formulation of strategic plans among bakeries is mostly by the owners and top managers while majority of them rarely involve the supervisors or the employees. Just about a third of the bakeries involve consultants who are experts in the formulation of strategic plans.

4.3.3. Influence of Managers on Strategy Implementation

The respondents were asked to state the extent to which they believed that strategy executors in their bakery influence strategy implementation.

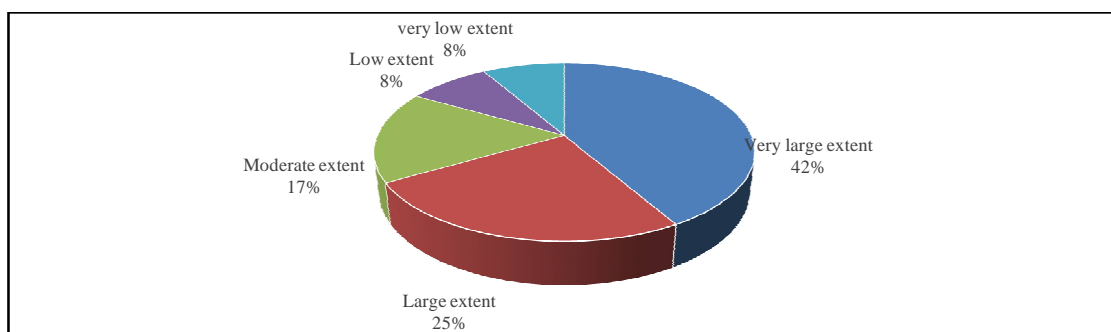


Figure 6: Influence of Managers on Strategy Implementation

The results showed that 42% agreed to a very large extent, 25% to a large extent, 17% to a moderate extent, 8% to a low extent and 8% to a very low extent. This suggests that strategy implementation was influenced by the executors in this case the managers/owners of the bakeries. From these results, it can be deduced that managers have a larger influence on the process of strategy implementation.

4.3.4. Influence of Organisational Communication on Strategy Implementation

The respondents were asked to state the extent to which they believed that communication within various actors in their bakery was important in influencing strategy implementation.

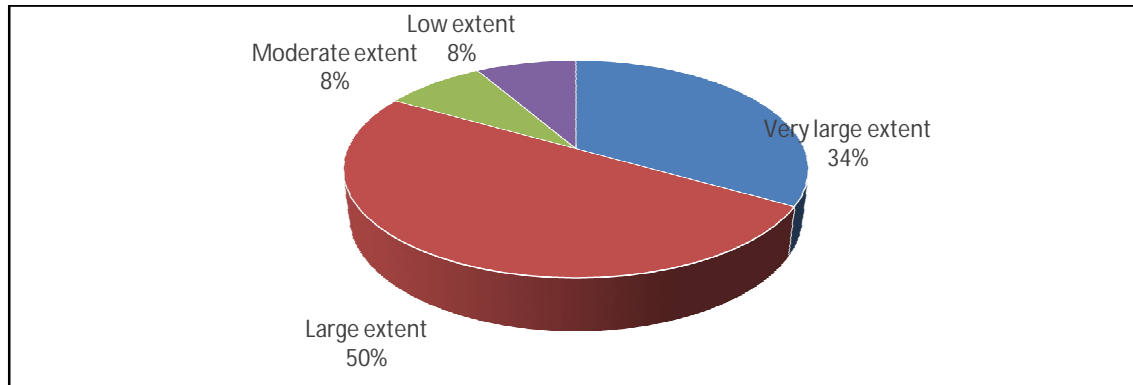


Figure 7: Influence of Organisational Communication

The results showed that 34% agreed to a very large extent, 50% to a large extent, 8% to a moderate extent and another 8% to a low extent. This shows that organisational communication was an important factor in influencing strategy implementation in bakeries.

4.3.5. Influence of Top Management Commitment on Strategy Implementation

The study sought to determine the extent to which the respondents agreed that commitment of various actors in their bakery influenced strategy implementation.

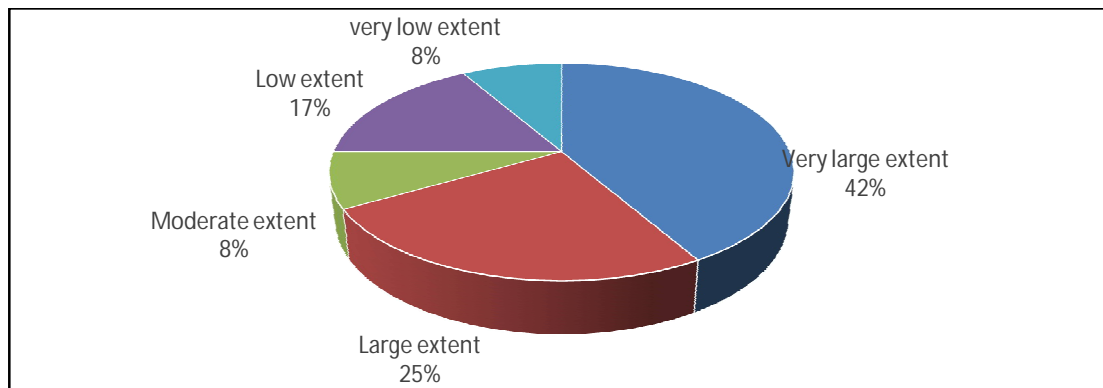


Figure 8: Influence of Top Management Commitment

The results showed that 42% agreed to a very large extent, 25% to a large extent, 8% to a moderate extent, 17% to a low extent and 8% to a very low extent. These results suggest that indeed top management commitment was an important determinant of strategy implementation in bakeries in Mombasa County.

4.3.6. Influence of Organisational Culture on Strategy Implementation

The study examined the extent to which the respondents believed that organisational structure of their bakery influenced strategy implementation.

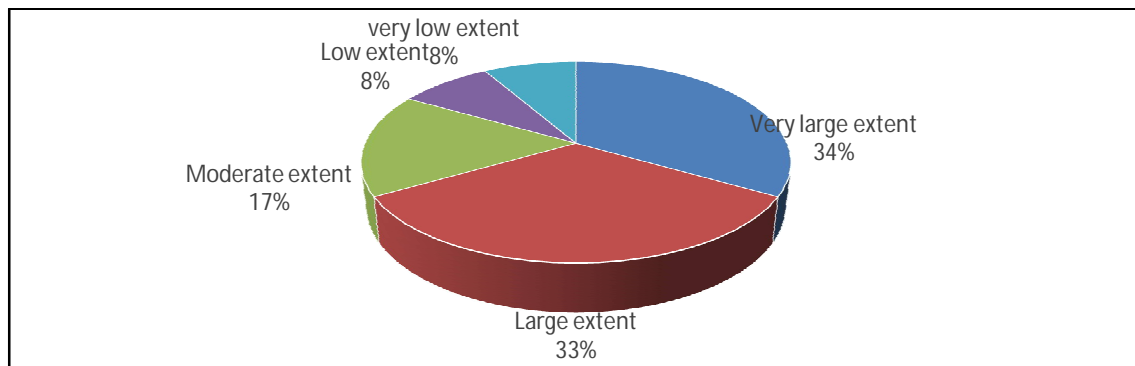


Figure 9: Influence of Organisational Structure

The results showed that 34% agreed to a very large extent, 33% to a large extent, 17% to a moderate extent, 8% to a low extent and 8% to a very low extent. The results confirm that organisational structure was important in influencing the strategy implementation in the bakeries.

4.4. Regression Analysis Results

A regression analysis was conducted using SPSS version 22. Data was entered into the programme and ordinary least squares (OLS) method used to run the regression analysis with strategy implementation as the dependent variable and the factors as the independent variables. Table 2 below shows the results of summary regression model. As shown, r^2 was 0.217 suggesting that the model accounted for 21.7% of the variance. The adjusted r^2 shows that the model accounted for 19% of the variance.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.466 ^a	.217	.191	.54618

Table 2: Summary Model

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.578	4	.145	3.485	.048 ^b
Residual	2.088	7	.298		
Total	2.667	11			

Table 3: ANOVA

Table 3 presents the ANOVA results. As shown, F statistic was significant at 5% level. This shows that the model was significant in predicting the factors influencing strategy implementation within bakeries in Mombasa County.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.668	1.268		1.315	.030
Organisational communication	.013	.184	.030	2.071	.046
Top management commitment	.204	.168	.590	4.215	.034
Organisational structure	.109	.152	.285	5.715	.028

Table 4: Model Coefficient

The results in Table 4 show the coefficients of the model. The results also show a positive and significant effect of organisational commitment on strategy implementation. This means that as the level of commitment among the members of an organisation increase in terms of strategy implementation, the outcome of the process becomes better. This is also consistent with prior literature.

The results further reveal that top management commitment has a positive and significant influence on strategy implementation. This suggests that the level of commitment of top level managers in an organisation is very instrumental to the whole process of strategy implementation. This is consistent with prior studies.

The results revealed that organisational structure had a positive and significant effect on strategy implementation. This means that the way an organisation is structured influences the outcome of a strategy implementation process. Flat organisational structures lead to better strategy implementation. This is consistent with previous studies on the same.

In general, the model is $Y = 1.668 + 0.013 X_1 + 0.204 X_2 + 0.109 X_3$. Y is strategy implementation, X1 is organisational communication, X2 is top management commitment and X3 is organisational structure. Thus, a unit improvement in the level of organisational communication leads to a 0.013 improvement in strategy implementation. Further, a unit improvement in the level of top management commitment leads to a 0.204 improvement in strategy implementation and a unit improvement in the level of organisational structure leads to a 0.013 improvement in strategy implementation

5. Summary, Conclusion and Recommendations

5.1. Introduction

This chapter presents the summary of findings, conclusions of the study, recommendations of the study and the suggestions for further research.

5.2. Summary

The study found that most bakeries in Mombasa (67%) had strategic plans. Of these bakeries with strategic plans, all of them involved the owners in the formulation of the plans while half of them involved their managers. Employees and supervisors were least involved in the formulation of the strategic plans.

The results also showed that managers as the executors of the strategies were influential in the implementation of strategic plans in the bakeries as most of the respondents (75%) agreed. The study also found that organisational communication within the bakeries had a significant effect on the way strategy was implemented as 92% of the respondents confirmed.

The results also revealed that most of the respondents (75%) were in agreement that top management commitment was key to strategy implementation in the bakeries confirming that indeed for the strategies formulated to be well executed in the bakeries, the commitment of top management (mostly the owners and managers) was very important. The results further showed that the structure of the organisation was important for the implementation of strategic plans as agreed by 84% of the respondents.

5.3. Conclusions

The study concludes that organisational communication among the various stakeholders in the organisation is key in influencing the success or failure of strategy implementation. For the bakeries in Mombasa, communication between owners, managers, supervisors, and the employees was important as an ingredient for successful implementation of their formulated strategies.

The study further concludes that top management commitment is a significant factor that influences the process and outcome of strategy implementation. For the bakeries in Mombasa, the commitment of the owners and the managers was important in the process of strategy implementation as it gave the process the momentum it needed to be carried out successfully.

Lastly, the study concludes that organisational structure is a significant factors that influences strategy implementation in organisations. As was seen in the bakeries in Mombasa, the structure plays a key role as it helps provide for a structural means through which strategy is implemented.

5.4. Recommendations

The study makes a number of recommendations. First, the study recommends that for organisations to have a successful implementation of their strategies, the managers must be involved as the executors. For small business, the owners who also double up as the managers must be involved in the execution of those strategies.

Secondly, the study recommends that firms should ensure that organisational communication process is in place in order to have success at strategy implementation. Small firms like bakeries have the advantage of their small size as communication can be free flowing. Structures for communication and feedback must be provided even for the small firms.

Thirdly, the study recommends that there is need for top management to be committed to the process of strategy implementation if the outcome must be successful. As was observed for the bakeries, small firms must have their owners and managers committed to the implementation of the strategies they put in place for them to succeed.

Lastly, the study recommends that organisational structure must be aligned to the strategy in order for the process of strategy implementation to be successful. This might be a challenge to large firms to implement but for the small firms, they have the advantage. Their small size provides an almost flat structure that is conducive for the implementation of strategic plans.

5.5. Suggestions for Further Research

This study did not cover everything it sought to have covered in terms of the factors that influence strategy implementation. Only four factors were identified. Further studies therefore need to focus on other factors that may influence strategy formulation especially in small firms. While this study focused on bakeries, an expanded sample could be used in the future by examining small firms from different sectors.

6. Acknowledgements

I wish to acknowledge the contributions of my family, who have always had a great vision for my academic achievements, my able supervisor, Everlyne Datche for her insights, corrections and much needed reviews in compiling this research proposal and my classmates who have in more ways than one enriched me personally, academically and professionally.

To all you wonderful people, may the good Lord continue to bless you!

7. Definition of Terms

- Bakery: A bakery (or baker's shop) is an establishment that produces and sells flour-based food baked in an oven such as bread, cakes, pastries, and pies (Balogun and Johnson, 2004).

- Strategy: 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 (Noble and Mokwa, 2005).
- Strategy implementation: Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Olson & Slater & Hult, 2005).

8. ACRONYMS

➤ CAGR	Compound Annual Growth Rate
➤ CEO	Chief Executive Officer
➤ CFO	Chief Financial Officer
➤ COO	Chief Operations Officer
➤ ROI	Return on Investment
➤ SBU	Strategic Business Unit
➤ UK	United Kingdom

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APPENDICES**APPENDIX I: QUESTIONNAIRE****Part A: Background Information**

1. Name of the bakery: _____
2. When was the bakery established? _____
3. How many employees does the bakery have? _____
4. What is your designation in the firm?

Owner	[]
Manager	[]
Owner & Manager	[]
5. What is your gender?

Male	[]
Female	[]
6. What counties do you serve?

Mombasa county only	[]
Mombasa & others	[]
7. What was your annual sales revenues in 2014? _____

Part B: Factors Influencing Strategy Implementation

8. Do you have a strategic plan?

Yes	[]
No	[]
9. If YES in 8 above, who were involved in its formulation? [You can tick more than one choice]

Owner	[]
Top managers	[]
Supervisors	[]
Employees	[]
Consultants	[]
Other(s) [specify]	[]
10. To what extent do you believe that strategy executors in your bakery influence strategy implementation?

Very large extent	[]
Large extent	[]
Moderate extent	[]
Low extent	[]
Very low extent	[]
11. To what extent do you believe that communication within various actors in your bakery is important in influencing strategy implementation?

Very large extent	[]
Large extent	[]
Moderate extent	[]
Low extent	[]
Very low extent	[]
12. To what extent do you believe that commitment of various actors in your bakery influence strategy implementation?

Very large extent	[]
Large extent	[]
Moderate extent	[]
Low extent	[]
Very low extent	[]
13. To what extent do you believe that the organisational structure of your bakery influence strategy implementation?

Very large extent	[]
Large extent	[]
Moderate extent	[]
Low extent	[]
Very low extent	[]

APPENDIX II: BUDGET

The following is a budget proposal of the total amount of money to be spent:

Item/Activity	Estimated Cost (Kshs)
Stationery	5,000
Printing/Photocopying	8,000
Transport	33,000
Binding	4,500
Data analysis	15,000
Miscellaneous	15,000
Total cost	80,500

APPENDIX III: WORK PLAN

The Research is proposed to take approximately 8 months including the report writing.

PHASE	TASK DESCRIPTION	NUMBER OF MONTHS							
		Mar	Apr	May	Jun	Jun	Jun	Jul	Sept
	YEAR 2015								
1	Proposal writing								
2	Proposal defence								
3	Data collection								
4	Data analysis								
5	Report writing								
6	Project defence								
7	Compilation of final project								
8	Graduation								

APPENDIX IV: BAKERIES IN MOMBASA

1. Akiyda 2000 Ltd
2. Anglo Swiss Bakery Ltd
3. Bake N Bite Mombasa Ltd
4. Burhani Bakers
5. Dais Bakery Ltd
6. Fayyaz Bakery
7. Fosters Bakery Ltd
8. Golden Crust Ltd
9. Huseini Bakery Ltd
10. Mini Bakeries (Supa Loaf)
11. Nice Bakery and Confectionary Mombasa
12. Seifee Bakeries Ltd