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**FACTORS AFFECTING STRATEGY IMPLEMENTATION IN SOCIAL
SECURITY INSTITUTIONS: A CASE STUDY OF NSSF**

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Abstract

Purpose: The current study is an assessment of the factors affecting strategy implementation in social security institutions. A case study of NSSF was taken

Methodology: The study adopted a descriptive case study research design. The population of the study was 1660 employees of NSSF. Sampling targeted 10.4 percent of the total population of employees. Stratified random sampling was used to select the 173 employees from three strata namely, top management, middle management and junior officers. The study adopted a descriptive case study research design. Data was analyzed by the use of descriptive statistics and inferential analysis. Specifically, means, frequencies and percentages were used. Factor Analysis and Correlation analysis was used to extract the relevant factors and their relationship with strategy implementation. The findings presented in tables, figures and graphs.

Results: Findings indicated that the organization leadership at NSSF is not effective and this may have led to poor strategy implementation. The culture at NSSF was not conducive for strategy implementation and this may have led to poor strategy implementation. The organization structure at NSSF was inconsistent with strategy implementation and this may have led to poor strategy implementation. The management of organization resources at NSSF is not effective and this may have led to poor strategy implementation. The organization politics at NSSF are not conducive for strategy implementation and this may have contributed to the poor implementation of strategy.

Unique contribution to theory, practice and policy: The study suggests that the study should be replicated in the private sector institutions that deal with retirement savings. This would yield results for comparison between private and public institutions. In addition, this study is merely descriptive and lacks statistical rigor. It is therefore suggested that regression and correlation analysis should be conducted in future studies in order to establish the sensitivity of the factors to strategy implementation.

Keywords: *organization culture, organization structure, strategy implementation organization politics organization leadership*

1.1 INTRODUCTION

Strategy, a fundamental management tool in any organization is a multi dimensional concept that various authors have defined in different ways. It is the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson, 2003). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to make strategic decisions and define strategy in terms of its function to the environment. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007).

“Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Ramesh, 2011).The environmental conditions facing many firms have changed rapidly (Machuki and Aosa, 2011). Today's global competitive environment is complex, dynamic, and largely unpredictable (Acur and Englyst, 2006). To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Olson et al. 2005).

1.2 Problem Statement

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). Not only does the failure or collapse of the organization due to starategy failure impacts negatively to the owners, it also have negative ramifications to the other stakeholders such as employees, suppliers, government and civic community. Despite a lot of efforts and resources being channeled to strategic planning, majority of strategic documents produced by public institutions like NSSF always end up collecting dust on the shelves. This implies that, strategic implementation still remains a challenge for NSSF. This is evidenced by the failure of the NSSF to achieve its core strategic objectives outlined in the strategic plan. For instance, while one of the objectives of the NSSF under the business growth theme is to increase the membership coverage from 1.03 million to 3 million by the year 2014, only 1.2 million membership coverage has been achieved up to date. This indicates a huge negative variance of 1.8 million members. The strategic objective of increasing annual contribution collections from 5.5 billion to 14 billion by the end of year 2013-2014 may also not be realized given the current trend. Furthermore, the strategic objective to reduce claim processing time from 14 days to 7 days by the end of year 2013-2014 may also not be met. This is because accounts for all members have not been updated, and records have not been digitized. The strategic objective to increase the risk adjusted return on members fund from 6% to 11% per annum by the end of strategy period may not be achieved.

The area of strategic implementation has attracted a lot of scholarly attention. For instance, Harrington (2006) investigated the moderating effects of size, manager tactics and involvement on strategy implementation in Canadian food service sector. Schaap (2006) conducted an

empirical study on the role of senior-level leaders in strategy implementation the Nevada Gaming Industry in USA. However, all these studies were carried out in developed countries.

Locally, Bolo et al (2010) investigated the challenges facing the implementation of differentiation strategies in the sugar industry in Kenya. Aosa(1992) conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. In another study Awino, (2001) investigated the effectiveness and problems of strategy implementation of financing Higher Education in Kenya. Finally, Kiruthi, (2001) investigated the State of Strategic Management Practices in Non-Profit Making Organizations, the case of Public Membership Clubs in Nairobi. While the reviewed studies compare well to the current study, none of the studies concentrated on public institutions in Kenya. In addition, the researcher is not aware of any study that has assessed the factors that affect stratgy implementation at NSSF. Therefore, the study notes this knowledge gap and attempts to bridge this gap.

1.3 Study Objectives

- To determine how organization culture has affected strategy implementation in NSSF
- To examine how organization structure has affected strategy implementation in NSSF
- To determine how organization leadership has affected strategy implementation in NSSF
- To determine how organization resources has affected strategy implementation in NSSF
- To examine how organization politics has affected strategy implementation in NSSF

2.0 LITERATURE REVIEW

2.1 The Concept of Strategy

The term ‘strategy’ proliferates in discussions of business. Scholars and consultants have provided myriad models and frameworks for analyzing strategic choice (Hambrick and Fredrickson, 2001). The key issue that should unite all discussion of strategy is a clear sense of an organization’s objectives and a sense of how it will achieve these objectives. It is also important that the organization has a clear sense of its distinctiveness. According to Porter (1985), strategy is about achieving competitive advantage through being different, that is, delivering a unique value added to the customer, having a clear and enactable view of how to position yourself uniquely in your industry. According to Johnson and Scholes (1998), business strategy is the direction and scope of an organization over the long-term; which achieves advantages for the organization through its configuration of resources through a challenging involvement to meet the needs of markets and to fulfill stakeholders’ expectations. Thompson, (1993) also defines Strategy as the match between an organization’s resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish.

2.2 Strategy Implementation

Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (2004) as part of a first wave of studies proposing structural views as important facilitators for strategy

implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble and Mokwa, 1999). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In recent years organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms.

2.3 Factors affecting Strategy Implementation

2.3.1 Organization Resources.

The resource-based view (RBV) seeks to explore the internal resources of an organization and how these can be leveraged to gain a competitive advantage. An analysis of an organization's resources can include its financial, physical, human, intellectual and reputational resources. In the deployment of these resources, it is also important to understand the core competences of an organization. Porter's (1985) value chain concept is an important part of this process.

David (1997) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These include overprotection of resources, too great emphasis on short-term financial criteria, organizational policies, vague strategy targets reluctance to take risks, and lack of sufficient knowledge. Also, established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002)

2.3.2 Organization structure

Awino (2001) in the study to investigate effectiveness and problems of strategy implementation of financing higher education in Kenya by the higher education loans board identified lack of fit between strategy and structure as factor affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communication systems; and failure to impart new skills. Koske (2003) observes that there are many organizational characteristics, which act to constrain strategy implementation. He identified most challenges as concerning connecting strategy formulation to implementation; resource allocation; match between structure with strategy; linking performance and pay to strategies; and creating a strategy supportive culture. Whilst the strategy should be chosen in a way that it fits the organization structure the process of matching structure to strategy is complex (Bryars et al 1996).

2.3.3 Organization culture

The implementation of a strategy often encounters rough going because of deep rooted cultural biases. This causes resistance to implementation of new strategies especially in organizations with defensive cultures. This is because they see changes as threatening and tend to favor

continuity and security (Wang, 2000). It is the strategy maker's responsibility to choose a strategy that is compatible with the sacred or unchangeable parts of prevailing corporate culture (Thompson and Strickland, 1989). This offers a strong challenge to the strategy implementation leadership abilities. Qi (2005), puts forward seven factors for successful strategy implementation namely adequate feedback systems, sufficient resources, good leadership and direction skills, motivation for all involved staff, communication and coordination, an appropriate company structure, an appropriate company culture. Company Culture, according to Qi (2005) may influence whether or not a certain strategy execution succeeds or not.

2.3.4 Organization Politics

Organizational scientists have offered various definitions of politics incorporating elements of behavior that are formal and informal, sanctioned and non-sanctioned, focused on the use of power and influence, or based on coalition building. Pettigrew (1973), described it as the use of power to influence decision making. Others link it to the dysfunctional characteristics of organizations (Allen, Madison, Porter, Renwick, & Mayers, 1979). Mintzberg (1983), refers to politics as "individual or group behavior that is informal, ostensibly parochial, typically divisive, and above all, in the technical sense, illegitimate – sanctioned neither by formal authority, accepted ideology, nor certified expertise (p. 172). A definition that captures an important nuance is "impression management" which isolates a tactic of ingratiation or social engineering as a means to employ political influence (Gardner & Martinko, 1988. p. 322). Impression management as defined by Schlenker (1980) is the conscious or unconscious attempt to control images that are projected in real or imagined social interactions.

Mintzberg (1985) linked politics and conflict in his discussion of the political arena in organizations. He introduced three basic dimensions of conflict in organizations – intensity, pervasiveness, and duration (or stability). These variables were associated with four forms of the political arena: confrontation, shaky alliance, politicized organization, and complete political arena. Mintzberg hypothesized that organizations are thrust into and out of all four forms of the political arena or systems of influence. He identified thirteen political 'games' played to "counter resistance, build a power base, defeat a rival, or change the organization" (p. 134). These identified political games formed three types of impetus that give rise to the political arena: 1) change in fundamental condition of the organization, 2) breakdown in established order of power, 3) major pressure from influencer(s) to realign a coalition or change the configuration. His hypotheses centered on the belief that conflict must be controlled and contained or the organization would succumb to influential p

2.3.5 Organization leadership and management

Poor communication is a sign of poor leadership and management .Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most organizations is large with both written and oral communication being used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Also they argue that communication should not be seen as a one-off activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process.

Functions of management include Planning, Organizing, Staffing, Directing and Controlling. Failure of management to carry out these functions leads to lack of clear understanding of strategy. Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows linking whatever task is at hand to the overall organizational direction. Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, the problem in understanding arises when it comes to applying issues in the day to day decision making

2.4 Empirical Review

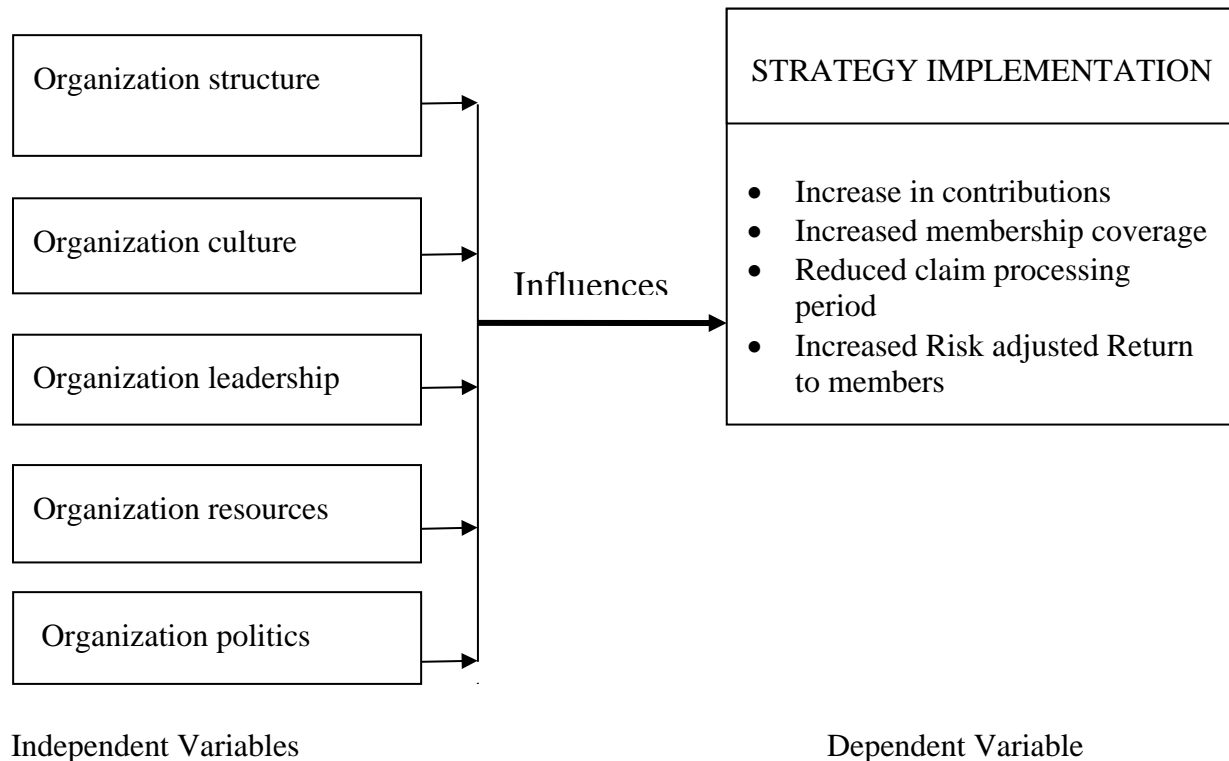
Strategy is all about managing change. Resistance to change is one of the greatest threats to strategy implementation. Strategic change is the movement of an organization from its present state to toward some desired future state to increase its competitive advantage (Hill and Jones, 1999). The behaviour of individuals ultimately determines the success or failure of organizational endeavors and top management concerned with strategy and its implementation must realize this (McCarthy et al, 1986). Change may also result to conflict and resistance. People working in organizations sometimes resist such project s and make strategy difficult to implement (Lynch, 2000). This may be due to anxiety or fear of economic loss, inconvenience, uncertainty and break in normal social patterns (David, 1997).

Studies by Okumu (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities. Freedman (2003), lists out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003), identified reasons why strategies fail as unanticipated market changes; lack of senior management support; effective competitor responses to strategy application of insufficient resources; failure of buy in, understanding, and/or communication; timeliness and distinctiveness; lack of focus; and bad strategy poorly conceived business models. Sometimes strategies fail because they are simply ill conceived. For example business models are flawed because of a misunderstanding of how demand would be met in the m

2.5 Conceptual Framework

In line with Okumus (2001), the current study develops the following conceptual framework. The independent variables are the factors affecting strategy implementation while the dependent variable is strategy implementation.

Figure1: Conceptual Framework



Source: Researcher (2011)

3.0 RESEARCH METHODOLOGY

The study adopted a descriptive case study research design. The population of the study was 1660 employees of NSSF. Sampling targeted 10.4 percent of the total population of employees. Stratified random sampling was used to select the 173 employees from three strata namely, top management, middle management and junior officers. The study adopted a descriptive case study research design. Data was analyzed by the use of descriptive statistics and inferential analysis. Specifically, means, frequencies and percentages were used. Factor Analysis and Correlation analysis was used to extract the relevant factors and their relationship with strategy implementation. The findings presented in tables, figures and graphs

4.0 RESULTS AND DISCUSSIONS

The chapter dealt with the analysis of the data, the interpretation of the findings and the presentation of the findings. Out of the possible 173 questionnaires that were handed out, only 94 (54%) questionnaires were returned fully filled. According to Mugenda and Mugenda (2003), a response rate of 50 % or more is ideal for data analysis.

4 Organization Culture and Strategy Implementation

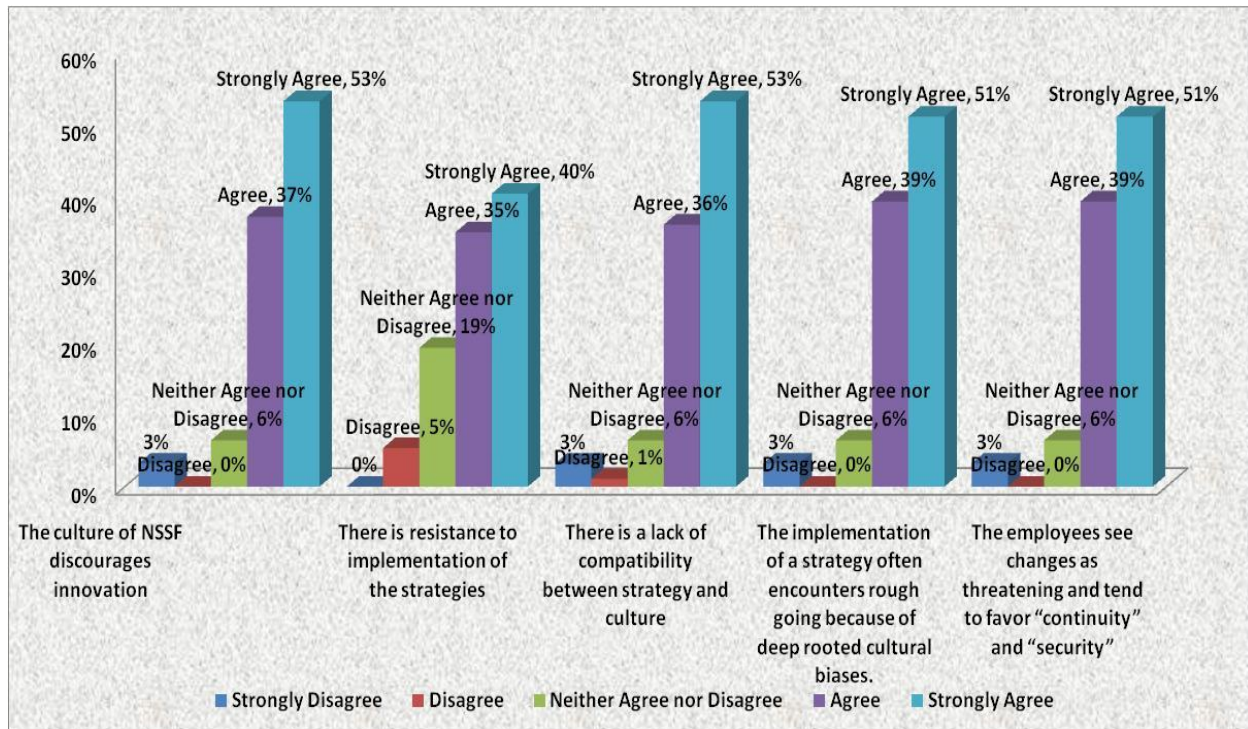


Figure 2 : Organization Culture and Strategy Implementation

4.6.1 Factor Analysis for Organization structure

Factor analysis revealed that the statements on organizational culture can be reduced to one factors. The reduction of the statements into one factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The one factor explained a cumulative variance of 81.106 % of the total variance.

Compo nent	Total Variance Explained			Extraction Sums of Squared Loadings		
	Total	Initial Eigenvalues % of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.055	81.106	81.106	4.055	81.106	81.106
2	.873	17.451	98.556			
3	.054	1.080	99.636			
4	.018	.364	100.000			
5	3.132E-17	6.263E-16	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component 1
The implementation of a strategy often encounters rough going because of deep rooted cultural biases.	.992
The employees see changes as threatening and tend to favor “continuity” and “security”	.992
The culture of NSSF discourages innovation	.990
There is a lack of compatibility between strategy and culture	.970
There is resistance to implementation of the strategies	.407
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

4Correlation between Culture and Strategy Implemenation outcomes

A correlation of -0.322 indicates that an increase in the ineffectiveness of culture is accompanied by a decline in strategy implementation outcomes.

Correlations

		culture	Strategy_Implementation
culture	Pearson Correlation	1	-.322**
	Sig. (2-tailed)		.002
	N	94	94
Strategy_Implementation outcomes	Pearson Correlation	-.322**	1
	Sig. (2-tailed)	.002	
	N	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

4.7: Organization Structure and Strategy Implementation

4.7.1 Factor Analysis for Organization structure

Factor analysis revealed that the statements on organizational structure can be reduced to one factors. The reduction of the statements into one factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The one factor explained a cumulative variance of 72.978 % of the total variance.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.649	72.978	72.978	3.649	72.978	72.978
2	.738	14.761	87.739			
3	.269	5.379	93.118			
4	.242	4.838	97.956			
5	.102	2.044	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
There are no clear reporting lines	.894

The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place.	.869
There is a lack of compatibility between strategy and structure	.865
Effective corporate governance mechanisms do not exist	.858
The organization structure does not support bottom up communication	.781

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.7.2 Correlation between structure and strategy implementation outcomes

A correlation of -0.440 indicates that an increase in the ineffectiveness of structure is accompanied by a decline in strategy implementation outcomes.

Correlations

		Strategy_Implementation	Structure
Strategy_Implementation	Pearson Correlation	1	-.440**
	Sig. (2-tailed)		.000
	N	94	94
Structure	Pearson Correlation	-.440**	1
	Sig. (2-tailed)	.000	
	N	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

4.8: Organization Leadership and Strategy Implementation

As revealed in figure 4.7, a majority (47%) of respondents agreed with the statement that the current leadership style is not transformational, majority (71%) agreed that the management has not put in place proper compensation and reward structure for strategy implementation, majority (41%) agreed that the current management has flawed vision of what seems to be the strategic position of NSSF, majority (41%) strongly agreed that the current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief. Results also indicated that a majority (47%) strongly agreed with the statement that the management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively. The findings imply that NSFF has an ineffective leadership and management function which may have negatively affected the strategy implementation.

The findings are in agreement to those in Aaltonen and Ikavalko (2001) who asserts that lack of understanding of a strategy is one of the obstacles of strategy implementation. They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, the problem in understanding arises when it comes to applying issues in the day to day decision making. The findings also agree with those in Meldrum and Atkinson (1998) who identified two problems of implementation: a flawed vision of what it seems to be in a strategic position within an organization and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief. The findings are also consistent with those in Bryson (2005) who asserts that failure by management to put in place proper compensation structure may be responsible for failure in strategy implementation. Bryson (2005) asserts that people must be adequately compensated for their hard work.

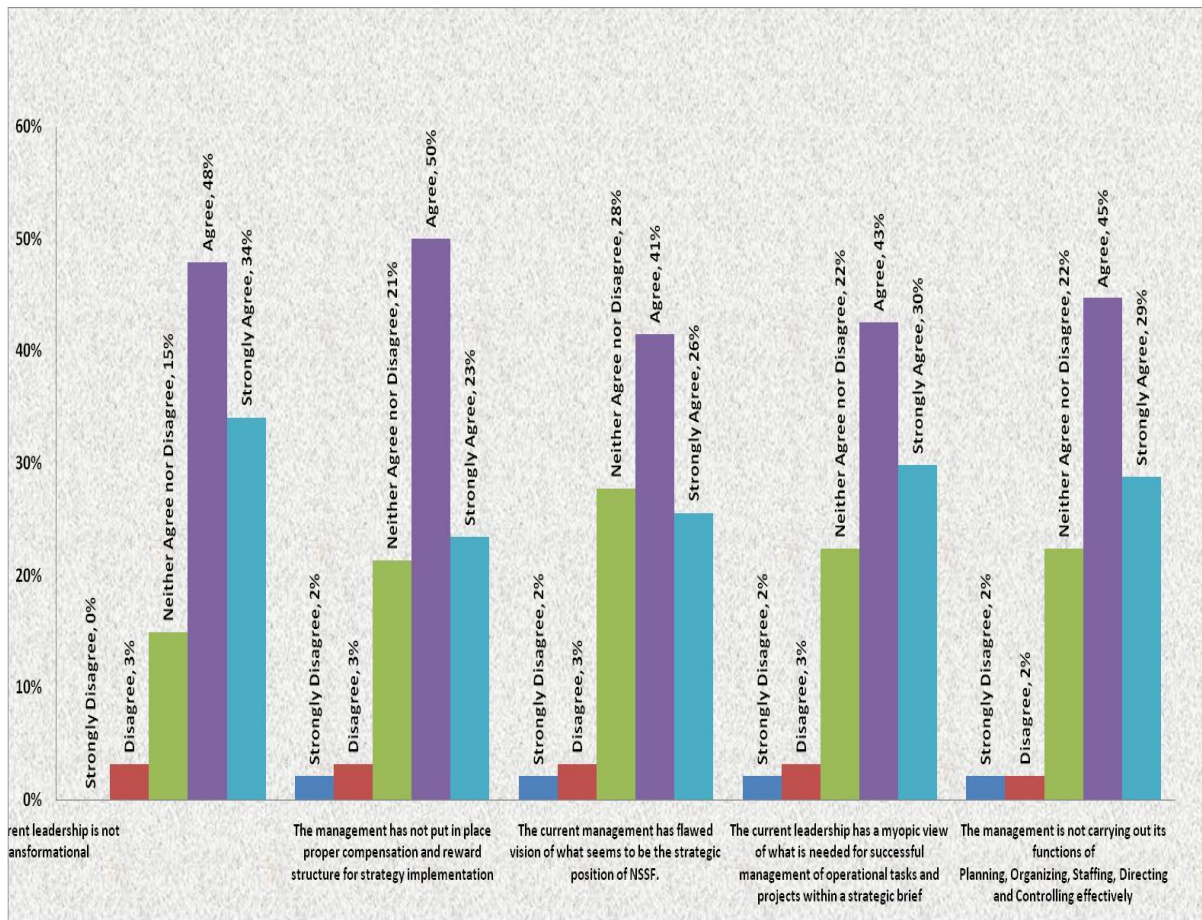


Figure 4. 1: Organization Leadership and Strategy Implementation

4.8.1 Factor Analysis for Organization leadership

Factor analysis revealed that the statements on leadership can be reduced to one factors. The reduction of the statements into one factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The one factor explained a cumulative variance of 79.427 % of the total variance.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.971	79.427	79.427	3.971	79.427	79.427
2	.705	14.101	93.528			
3	.153	3.060	96.588			
4	.121	2.412	99.000			
5	.050	1.000	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
The management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively	.955
The management has not put in place proper compensation and reward structure for strategy implementation	.948
The current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief	.945
The current management has flawed vision of what seems to be the strategic position of NSSF.	.942
The current leadership is not transformational	.617

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.8.2 Correlation between leadership and strategy implementation outcomes

A correlation of -0.677 indicates that an increase in the ineffectiveness of leadership is accompanied by a decline in strategy implementation outcomes.

Correlations

		Strategy_Implementation_outcomes	Leadership
Strategy_Implementation_outcomes	Pearson Correlation	1	-.677**
	Sig. (2-tailed)		.000
	N	94	94
Leadership	Pearson Correlation	-.677**	1
	Sig. (2-tailed)	.000	
	N	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

4.9: Organization Resources and Strategy Implementation

Figure 4.8 demonstrated that a majority (47%) of respondents agreed with the statement that some strategic objectives have not been allocated enough team members & resources, a majority (43%) agreed that strategy implementation teams have inadequate experience in strategy implementation, a majority (44%) agreed that strategy implementation teams have inadequate education and training background, a majority (41%) strongly agreed that some of the financial and non financial resources allocated to strategy implementation are being misused, a majority(43%) strongly agreed that the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation. The findings imply that the

management of resources at NSSF is ineffective and this may have had a negative implication on the strategy implementation.

The findings agree with those of David (1997) who argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These include overprotection of resources, too great emphasis on short-term financial criteria, organizational policies, vague strategy targets reluctant to take risks, and lack of sufficient knowledge. The findings also agree with those of Johnson and Scholes(2002) which argue that established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high . In addition, the findings agree with those of Bryson (2005) who observes that people’s intellect creativity, skills, experience and commitment are necessary towards effective implementation. The finds agree with those in Chimhanzi & Morgans (2005) which indicated that firms devoting attention to the alignment of marketing and human resources are able to realize significantly greater successes in their strategy implementation. Finally, the results are consistent with those of Muell and shani (2008) asserts that one of the inhibitors of strategy execution is the lack of resources; resources are either inadequate or unavailable when needed.

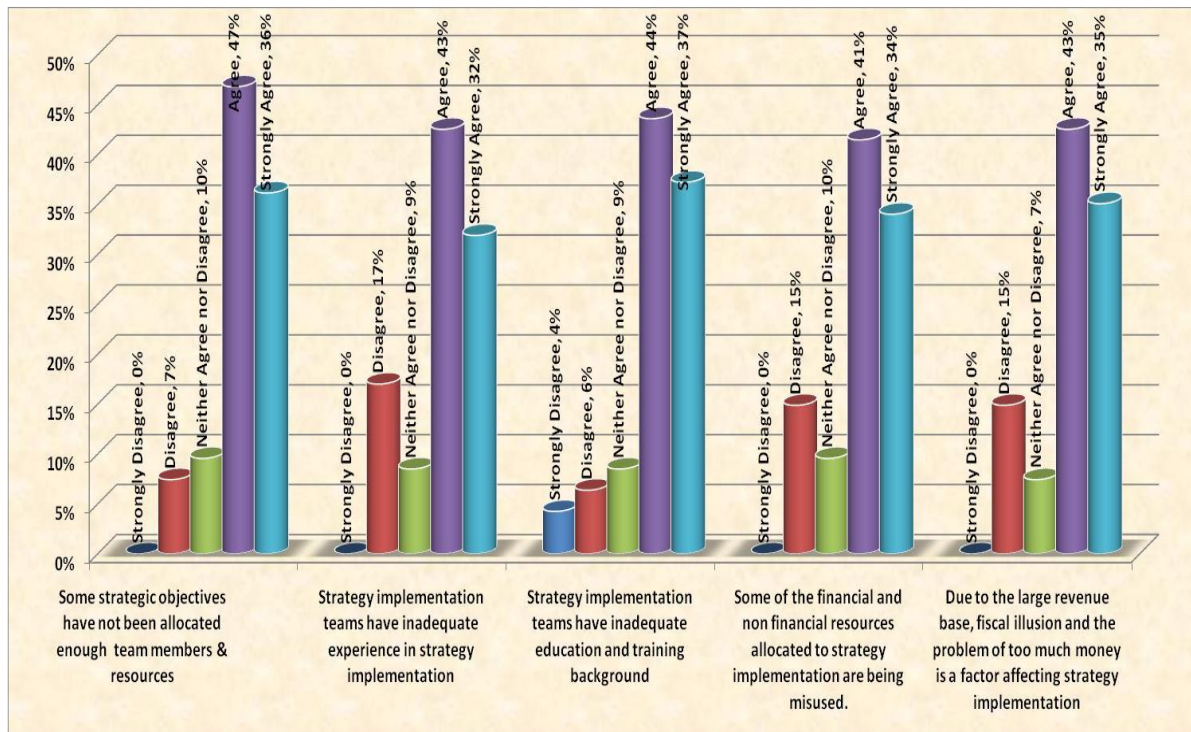


Figure 4. 2:Organization Resources and Strategy Implementation

4.9.1 Factor Analysis for Organizational Resources

Factor analysis revealed that the statements on politics can be reduced to one factors. The reduction of the statements into one factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The one factor explained a cumulative variance of 75.395 % of the total variance.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.770	75.395	75.395	3.770	75.395	75.395
2	.582	11.633	87.028			
3	.481	9.630	96.658			
4	.092	1.831	98.489			
5	.076	1.511	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1

Due to the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation	.953
Some of the financial and non financial resources allocated to strategy implementation are being misused.	.944
Strategy implementation teams have inadequate experience in strategy implementation	.936
Some strategic objectives have not been allocated enough team members & resources	.772
Strategy implementation teams have inadequate education and training background	.707

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.9.2 Correlation between Organizational Resources and strategy implementation outcomes

A correlation of -0.653 indicates that an increase in the ineffectiveness of Organizational Resources is accompanied by a decline in strategy implementation outcomes.

Correlations

	Strategy_Implementation_outcomes	Resources
Strategy_Implementation_outcomes Pearson Correlation	1	-.653**
Sig. (2-tailed)		.000
N	94	94
Resources Pearson Correlation	-.653**	1

Sig. (2-tailed)	.000	
N	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

4.10: Organization Politics and Strategy Implementation

Figure 4.9 revealed that a majority (44%) of respondents strongly agreed with the statement that there exists political interference in the management of NSSF, a majority (50%) strongly agreed that strategic managers engage in activities to obtain and use power to influence organizational goals and change strategy and structure to further their own interests, a majority (50%) strongly agreed that top-level managers constantly come into conflict over what correct policy decisions are, a majority (45%) agreed that there exists a powerful group who may regard the change caused by new strategy as a threat to their own power, a majority (41%) agreed that tribal politics in NSSF may be a factor affecting strategy implementation. The findings imply that there exists negative political force at NSSF and these political forces may have negatively affected the strategy implementation.

The findings agree with those of Hill and Jones (1999) who asserted that organization politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interests. The findings are also congruent to those of Wang (2000), who states that it is important to overcome the resistance of powerful groups because they may regard the change caused by new strategy as a threat to their own power. The author further stated that Top-level managers constantly come into conflict over what correct policy decisions would be and power struggles coalition building is a major part of strategic decision making. According to them, the challenge organizations face is that the internal structure of power always lags behind changes in the environment because in general, the environment changes faster than organizations can respond.

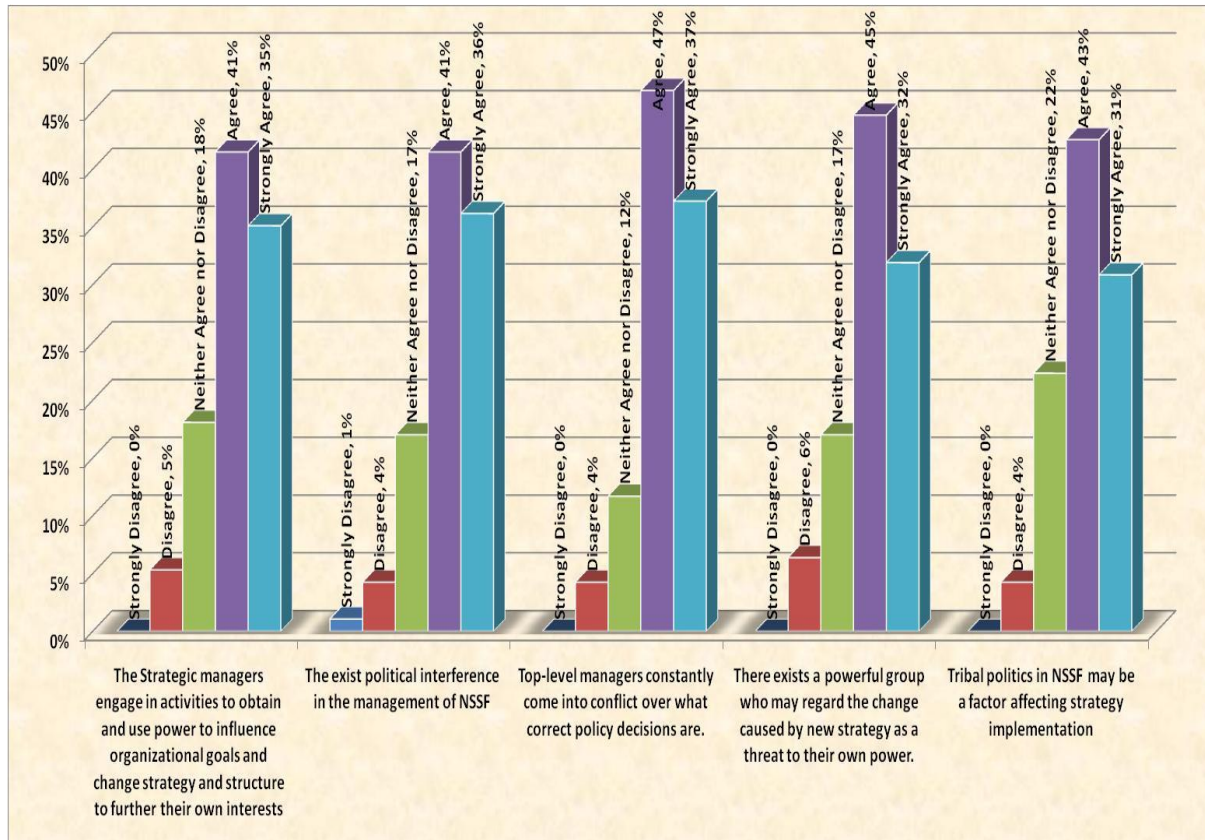


Figure 4. 3: Organization Politics and Strategy Implementation

4.10.1 Factor Analysis for Organizational Politics

Factor analysis revealed that the statements on politics can be reduced to one factors. The reduction of the statements into one factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The one factor explained a cumulative variance of 82.997 % of the total variance.

Total Variance Explained

Compo	Initial Eigenvalues	Extraction Sums of Squared Loadings
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ment	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.150	82.997	82.997	4.150	82.997	82.997
2	.328	6.553	89.549			
3	.263	5.268	94.817			
4	.183	3.655	98.473			
5	.076	1.527	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
The Strategic managers engage in activities to obtain and use power to influence organizational goals and change strategy and structure to further their own interests	.946
There exist political interference in the management of NSSF	.912
Tribal politics in NSSF may be a factor affecting strategy implementation	.907
There exists a powerful group who may regard the change caused by new strategy as a threat to their own power.	.902
Top-level managers constantly come into conflict over what correct policy decisions are.	.888

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

4.10.2 Correlation between Organizational Politics and strategy implementation outcomes

A correlation of -0.362 indicates that an increase in the ineffectiveness of Organizational Politics is accompanied by a decline in strategy implementation outcomes.

Correlations

	Strategy_Implementation_outcomes	Politics
Strategy_Implementation_outcomes Pearson Correlation	1	-.362**
Sig. (2-tailed)		.000
N	94	94
Politics Pearson Correlation	-.362**	1
Sig. (2-tailed)	.000	
N	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

4.11: Strategy Implementation at NSSF

Results in figure 4.4 revealed that a majority (44%) of respondents strongly disagreed with the statement that the return to member is high and satisfactory to members, Majority (43%) strongly disagreed with the statement that it is very likely that the future return to members will exceed 1% per annum. A majority (61%) disagreed that there has been a significant increase in membership, while a majority (57%) disagreed with the statement that the membership of NSSF will most likely be expected to exceed the target of 3 million in future.

A majority (53%) disagreed that there has been a significant increase in members contribution, while another majority (54%) disagreed that it is highly likely that the annual membership contribution will exceed the target of 14 billion. A majority (48%) disagreed with the statement that there is a significant reduction in the benefit payment period why a further majority (49%) disagreed with the statement that it is highly likely that the benefit payment period will be less than the target period of 7 days. The findings imply that strategy implementation at NSSF has not been successful.

The findings are in agreement with of the NSSF Status Report (2011) which asserted that while one of the objectives of the NSSF under the business growth theme is to increase the membership coverage from 1.03million to 3million by the year 2014, only 1.2million membership coverage has been achieved. This indicates a huge negative variance of 1.8 million members. The report further asserts that the strategic objective of increasing annual contribution collections from 5.5 billion to 14 billion by the end of year 2013-2014 may not be realized given the current trend. Furthermore the strategic objective to reduce claim processing time from 14days to 7days by the end of year 2013-2014 may also not be met. This is because accounts for all members has not been updated and records have not been digitized. NSSF Status Report (2011) also asserts that the strategic plan to increase the risk adjusted return on members fund from 6% to 11% per annum by the end of strategy period may not be realized because the NSSF has not reviewed and implemented an investment policy.

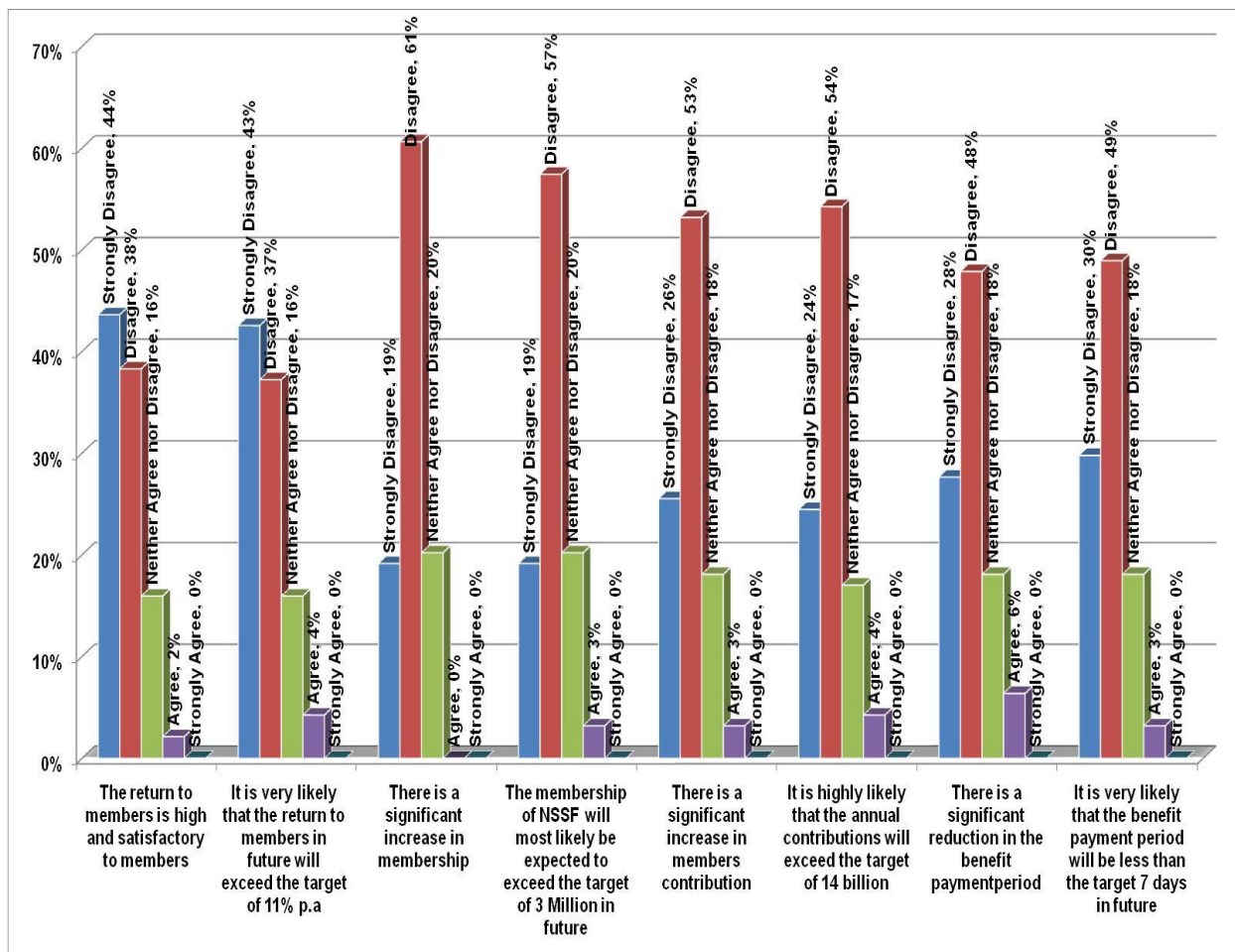


Figure 4. 4: Strategy Implementation at NSSF

4.11.1 Factor Analysis for Strategy Implementation outcomes

Factor analysis revealed that the statements on strategy implementation can be reduced to four factors. The reduction of the statements into four factors followed the Kaiser criterion which asserts that a factor should be selected on the basis of eigen Values. An eigen value of 1 or more indicates a factor. The four factors explained a cumulative variance of 94.302 % of the total variance.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.750	34.371	34.371	2.750	34.371	34.371	1.923	24.032	24.032
2	2.231	27.893	62.264	2.231	27.893	62.264	1.912	23.906	47.938
3	1.484	18.555	80.819	1.484	18.555	80.819	1.885	23.561	71.499
4	1.079	13.484	94.302	1.079	13.484	94.302	1.824	22.804	94.302
5	.339	4.237	98.540						
6	.085	1.062	99.602						
7	.032	.398	100.000						
8	-5.832E-16	-7.289E-15	100.000						

Extraction Method: Principal Component Analysis.

The rotated factor loadings indicated that two statements relating to returns weighed heavily on factor one. Factor loadings of Another two statements weighed heavily on factor 2. This two statements were associated with members contributions. Factor loadings of another two statements weighed heavily on factor 3. This two statements were associated with membership. Factor loadings of another two statements weighed heavily on factor 4. This two statements were associated with benefit payment period. The findings imply that strategy implementaion outcomes can be reduced to a four factor model..

Rotated Component Matrix^a

	Component			
	1	2	3	4
It is very likely that the return to members in future will exceed the target of 11% p.a	.973	-.033	.078	.106
The return to members is high and satisfactory to members	.962	-.082	-.009	.086
It is highly likely that the annual contributions will exceed the target of 14 billion	-.030	.970	.123	.007
There is a significant increase in members contribution	-.085	.968	.093	-.027
The membership of NSSF will most likely be expected to exceed the target of 3 Million in future	.102	.127	.946	.176
There is a significant increase in membership	-.029	.099	.942	.166
It is very likely that the benefit payment period will be less than the target 7 days in future	.036	-.032	.110	.958
There is a significant reduction in the benefit paymentperiod	.175	.013	.243	.910

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Discussion & Summary of Findings

5.1.1 Effect of Independent Directors on a company's financial performanc

.1.1: Organization culture and strategy implementation

One of the objectives of the study was to assess the effect of organization culture on strategy implementation. Results indicated that the culture at NSSF was not conducive for strategy implementation. This may have led to the poor implementation of strategy at NSSF. The findings were supported by a majority of respondents who indicated that culture of NSSF discourages innovation, there is resistance to implementation of the strategies, the employees see changes as threatening and tend to favor “continuity” and “security”, the implementation of a strategy often encounters rough going because of deep rooted cultural biases and there is a lack of compatibility between strategy and culture. The findings were also supported by a negative correlation which implied that an increase in the ineffectiveness of organization culture leads to a reduction in strategy implementation outcomes.

5.1.2: Organization structure and strategy implementation

One of the objectives of the study was to assess the effect of organization structure on strategy implementation. Results indicated that the organization structure at NSSF was inconsistent with strategy implementation and this may have been responsible for the poor strategy implementation at NSSF. The findings were supported by a majority of respondents who indicated that the current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place, that effective corporate governance mechanisms do not exist, the organization structure does not support bottom up communication, that there are no clear reporting lines. The findings were also supported by a negative correlation which implied that an increase in the ineffectiveness of organization structure leads to a reduction in strategy implementation outcomes.

5.1.3: Organization leadership and strategy implementation

One of the objectives of the study was to assess the effect of organization structure on strategy implementation. Results indicated that the organization leadership at NSSF is not effective and this may have contributed to the poor implementation of strategy. The findings were supported by a majority of respondents who asserted that the current leadership style is not transformational, the management has not put in place proper compensation and reward structure for strategy implementation, the current management has flawed vision of what seems to be the strategic position of NSSF, the current leadership has a myopic view of what is needed for

successful management of operational tasks and projects within a strategic brief, the management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively. The findings were also supported by a negative correlation which implied that an increase in the ineffectiveness of leadership leads to a reduction in strategy implementation outcomes.

5.1.4: Organization resources and strategy implementation

One of the objectives of the study was to assess the effect of organization resources on strategy implementation. Results indicated that the management of organization resources at NSSF is not effective and this may have contributed to the poor implementation of strategy. The findings were supported by a majority of respondents who asserted that the statement that some strategic objectives have not been allocated enough team members & resources, the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation, strategy implementation teams have inadequate education and training background, some of the financial and non financial resources allocated to strategy implementation are being misused, strategy implementation teams have inadequate experience in strategy implementation. The findings were also supported by a negative correlation which implied that an increase in the ineffectiveness of organization resources leads to a reduction in strategy implementation outcomes.

5.1.5: Organization politics and strategy implementation

One of the objectives of the study was to assess the effect of organization politics on strategy implementation. Results indicated that the organization politics at NSSF are not conducive for strategy implementation and this may have contributed to the poor implementation of strategy. The findings were supported by a majority of respondents who asserted that there exists political interference in the management of NSSF, strategic managers engage in activities to obtain and use power to influence organizational goals and change strategy and structure to further their own interests, that top-level managers constantly come into conflict over what correct policy decisions are, that there exists a powerful group who may regard the change caused by new strategy as a threat to their own power, that tribal politics in NSSF may be a factor affecting strategy implementation. The findings were also supported by a negative correlation which implied that an increase in the ineffectiveness of organization politics leads to a reduction in strategy implementation outcomes.

5.2: Conclusions

From the study findings, once can conclude that;

- i) the organization leadership at NSSF is not effective and this may have led to poor strategy implementation

- ii) the culture at NSSF was not conducive for strategy implementation and this may have led to poor strategy implementation
- iii) organization structure at NSSF was inconsistent with strategy implementation and this may have led to poor strategy implementation
- iv) the management of organization resources at NSSF is not effective and this may have led to poor strategy implementation
- v) the organization politics at NSSF are not conducive for strategy implementation and this may have contributed to the poor implementation of strategy

5.3: Recommendations

The study makes the following recommendations based on the objectives of the study;

For strategy implementation to be successful, NSSF and other social security institutions need to align its culture to strategy. Specifically, NSSF needs to address the resistance of employees by improving on communication and training them and rewarding them adequately.

NSSF and other social security institutions also need to align the organization structure to strategy. For instance, it needs to institute effective corporate governance mechanisms and also ensure that the organization structure support bottom up communication. In addition, that clear reporting lines should be put in place.

NSSF and other social security institutions need to align the organization leadership to strategy. It should therefore ensure that the leadership style is transformational and not transactional. The management should also put in place proper compensation and reward structure for strategy implementation. Finally, the management should carry out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively.

NSSF and other public institutions need to align the organization leadership to strategy. The management should ensure that all strategic objectives have been allocated enough team members & resources. The strategy implementation teams should have adequate education and training background. The management should ensure that some of the financial and non financial resources allocated to strategy implementation are being misused. The strategy implementation teams should have adequate experience in strategy implementation.

NSSF and other public institutions need to align the organization politics to strategy. The management should address political interference in the management of NSSF, strategic

managers should not engage in activities to obtain and use power to influence organizational goals and change strategy and structure to further their own interests, top-level managers should not constantly come into conflict over what correct policy decisions are. The management needs to deal with powerful groups who may regard the change caused by new strategy as a threat to their own power. Finally, the management should reduce tribal politics.

5.4: Suggested Areas for Further Research

The study suggests that the study should be replicated in the private sector institutions that deal with retirement savings. This would yield results for comparison between private and public institutions. In addition, this study is merely descriptive and lacks statistical rigour. It is therefore suggested that regression and correlation analysis should be conducted in future studies in order to establish the sensitivity of the factors to strategy implementation.

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