FACTORS AFFECTING IMPLEMENTATION OF STRATEGY

A CASE OF BARCLAYS BANK OF KENYA

BY

MAUREEN NABWIRE
ID 627533

UNITED STATES INTERNATIONAL UNIVERSITY

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MAUREEN NABWIRE

ID 627533

A Project Submitted In the Chandaria School of Business in Partial Fulfillment of the Requirement for the degree of Executive Masters in Business Administration (MBA)

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________  Date: ___________________________

Maureen Nabwire (627533)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________  Date: ___________________________

Dr. Kefa Njenga

Signed: ___________________________  Date: ___________________________

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ABSTRACT

This thesis investigates factors affecting strategy implementation process. The research objectives focuses on three major hindrances as organization design and structure, allocation of resources and environmental factors related to barriers affecting strategy implementation in Barclays Bank of Kenya. It was noted that Barclays bank has implemented various strategies to fulfill its vision of being the go-to bank. The go-to bank as per the banks definition means being the instinctive partner of choice for anyone looking to do banking business, whether a small business, first time house buyer, or a large corporate undertaking a complex merger or acquisition deal).

A descriptive research design was used for the study and a case study of Nairobi branches was used to represent the views of staff of Barclays Bank of Kenya. A field research was undertaken using a sample size of 69 was selected using stratified random sampling. A qualitative approach in which data will be collected using questionnaires that will be e-mailed and hand delivered. The data will then be interpreted through Statistical Package for Social Sciences (SPSS). Percentages were used to analyze the data provided by the respondents and the results and findings of the study were represented in the form of tables, graphs and charts.

The major outcome of the study was that up to 49% of the respondents agreed that resource allocation and information systems were major factors affecting implementation of strategy. The findings also reveal that 46% of the respondents agreed that the advocates of strategy left the organization during its implementation. The study shows that the organization includes its stakeholders in the planning and implementation of strategy. The study further showed that there needs to be empowerment of the supervisory level of staff to ensure that coordination of activities is sufficiently effective. The systems need to be sufficiently upgraded to suit the competitive environment as well as ensure sufficient communication of the strategy. The researcher recommends that resources be equitably distributed for the effective implementation of strategy. It was also recommended that a reward system to be put in place to retain advocates and supporters of strategy. Further studies have been proposed to be able to see how other organizations are effectively implementing their strategies.
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<td>HR</td>
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<tr>
<td>PESTLGCO</td>
<td>Political, Economic, Social, Technological, Legal, Geological/Ecological, Competitive Environment</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem
It is noted that a well drafted strategic plan, which is done through a refined group or team of renowned management consultants or top managements is unlikely to fail. Failure mostly occurs during the implementation of the strategic plan. According to Kazmi (2008) “strategy formulation hogs most of the attention of management and strategy thinkers while strategy implementation is sidelined”.

Speculand (2009) argued that nine out of ten strategies fail due to the implementation process. Six Mind Shifts that need to take place for the success of an implementation which contradicted much traditional literature on the subject. For a strategy to be successful the six mind shifts are that it must be twice as important to implement as creating, that people are open to change when it is communicated in the right ways, implementation is about taking the right actions, staff members also know exactly what actions they need to take, new strategies are needed every two or three years and finally strategy must be reviewed twice a month at least.

Saunders did a case study of other researchers on definition of strategy implementation and from his findings some researchers like Ansoff stated that strategy implementation involves moving from strategies to action planning, through a process of setting objectives as well as performance controls, allocating resources, and motivating employees. In contrast, Dawson and Palmer, Lorange, Miller in their study emphasise that successful implementation depends on people changing their behaviour towards the strategy to be implemented. Beer and Nohria argue that successful implementation of strategy requires having appropriate organisational design and structure to implement the strategy, resource allocation, control, managing change from the process approach, diagnosing barriers to change, managing any issues and communication of change. This is to help the organisation to broaden their view of the strategy from the quality of the product to the organisational focus in terms of how to achieve the strategy using the seven categories (Saunders, 2008).
In a study conducted by one of the non governmental organisations the research analysed that although strategy formulation is a hard task for management team, making the strategy work proved to be even more difficult. This is because strategy implementation is seen as more of a craft rather than a science and its research history was described as fragmented. They found out that the superir strategies did not produce the best performance when not successfully implemented. This was due to policy regulations, managerial competencies and resource allocation which were summed up as the most critical factors that affect the effective strategy implementation (Omondi, P., Ombui, K., and Mungatu, J., 2013).

Atkinson stated that more than half of the strategies that have been devised by organisations are never implemented. She further claims that this is due to increase in competition and globalisation. She emphasises that this makes it more important to have effective strategy implementation (Atkinson, 2006). Allio in his findings agrees that strategies fail at the implementation phase and further emphasises that using a straightforward approach, format and process, managers can bridge the gap between rhetoric and reality (Allio, 2005).

Robin Speculand claims that nine out of ten strategies fail at the implementation phase. He further explains that this is because after leaders are left to implement the strategy, they have to figure out how to let the people know of the changes, what and why we need this change. He states that “implementation is not a single decision or action but a cluster of structured and sustained activities over a period of time” (Speculand, 2009).

In 2002, Barclays bank won a bid to make the biggest foreign direct investment when they acquired Absa Bank. It was a huge deal for Africa as the headline read “the 20 billion Rand eagle has just landed”. Due to the perception of Barclays as a western giant it had cultural issues to deal with as well as government and regulators in the 12 countries across Africa. Some people thought of it as a colonial bank hence they had to work with social, political and economic challenges (Gibbon, 2005).

The top management team therefore devised a plan of action to successfully bring Barclays into Africa. The plans are to make significant changes to the senior leaders, to form a single pan african leadership team, to find new, markets, countries and customer segments, a change in organizational performance, to change the organizational design
from individual models to a functional matrix, reposition the organization as a modern employer brand, to brand and brighten branches across the continent and to create a high performing organisation (Gibbon, 2005).

Barclays Bank of Kenya announced its strategy of becoming the ‘Go-To’ bank for their customers and clients in their 2012 Annual Report. The bank intends to use the balanced scorecard which outlines the performance categories and objectives that will guide the behaviours for all colleagues. The Bank has identified five objectives, that is, Customer and Clients, Colleagues, Citizenship, Conduct and Company, as their Balanced Scorecard to measure the success of the bank’s strategy (BBK, 2012).

1.2 Statement of the Problem
Noble (1999) argued that unlike strategy formulation, strategy implementation is most of the time seen as something of a craft rather than a science. He further states that best strategies may fail to bring out superior performance if not successfully implemented. He states that policy regulations, managerial competencies and resource allocations are the critical factors that affect the effective strategy implementation (Omondi, Ombui, & Mungatu, 2013). Leaders do not invest the same energy, time and resources in managing the implementation of the strategy as they do in setting the strategy. For companies and business units to achieve their laid out strategies, they must manage the way strategy is implemented. The three common pillars of effective strategy execution are direction (which provided a map for where to go), structure (a holistic approach on how the implementation will be conducted) and people (the resources for doing the work) (Getz & Lee, 2011).

It is also noted that a lot of research has been carried out into strategy formulation rather than into strategy implementation. Literature is also dominated with long range planning and strategy rather than the implementation of strategy (Kazmi, 2008).

Strategy implementation is more vital for the success of strategy. This research analysed factors that affect successful implementation of strategy using a case study of Barclays Bank’s. From Barclays Bank’s website, the bank has chosen the Balanced Scorecard as a tool to measure the success of its strategy implementation to see how this will foster the success of its strategy (BBK, 2012).
1.3 Purpose of the Study
The purpose of this study was to identify critical factors affecting the implementation of strategy in an organisation.

1.4 Specific Objectives
The research was aimed at investigating the following objectives:

1.4.1. To study the effect of organisational design and structure on strategy implementation.

1.4.2. To investigate the effect of allocation of resources on strategy implementation.

1.4.3. To identify the effect of the business environment on implementation of strategy.

1.5 Importance of the Study
The study mainly affect the below;

1.5.1 Barclays Bank of Kenya
This study is important to Barclays Bank of Kenya to enable them be able to know how to best implement their strategies considering all the factors mentioned.

1.5.2 Stakeholders
The stakeholders of Barclays bank of Kenya get to benefit from this study as they will know how their strategies are being implemented.

1.5.3 Other Companies and organisations
Management in other companies trying to achieve competitive advantage will also benefit from this study by applying the results of the study. This is because if the strategy is successfully implemented the other companies would want the same applied in their organisations.

1.5.4 Researchers and Academicians
Other researchers and strategic management students, human resource students will find the study useful in carrying out further research. They may realise areas which require more research or human resource or even strategic managements students may use the
study to analyse how to effectively apply the balance score card in strategy implementation.

1.6 Scope of the study
The geographical extent of the study was on management team of Barclays in Nairobi branches. The limitation of the geographical scope was the nature of data received, if it was what is required for the study. This was mitigated through very structured questionnaires. The population scope was heads of departments in Barclays in Nairobi branches. Accuracy in filling in the questionnaires was a challenge therefore there was need to assure the population of privacy in the data provided. Data collection period for this study was on information which was more than five years old. The challenge was on availability of data for the given time period and accessing as much journals and books on the research topic should assist in the study.

1.7 Definition of terms

1.7.1 Strategy
French (2009) checked the most influential literature on to find some common factors in the definition of strategy. Among these were Mintzberg et al. (1998), who defined strategy using the five Ps: plan, pattern, position, perspective and ploy. He further expounded by saying that managers differentiate strategy and pattern by having strategy as a pattern which is retrospective and strategy as a plan which is looking forward. He concluded that if the two are combined, with definite analysis of the internal and external process this would define strategy.

1.7.2 Strategic planning
French (2009) he also analyses strategic planning as “a process of setting objectives, of analysing solutions, developing concepts to deal with the situation, and achieving the objectives (strategies) and implementing them.”

1.7.3 Strategy Implementation
Strategy implementation has been placed as a link between planning and process through setting objectives and performance controls, allocating resources, and motivating employees (Max Saunders, 2008).
1.7.4 Balance Score card
The Balance Scorecard is a performance measurement tool developed by Kaplan and Norton in 1992 for the business sector that evolved to broader strategic management system and has been customised to meet the needs of various business environments and markets (Reid, 2011).

1.7.5 Business strategy
Business strategy is the way companies achieve competitive advantage through formulation of plans and implementation of the same (Shavarini, H, Nazemi, & Alborzi, 2013).

1.7.6 Customer satisfaction
Customer satisfaction has been defined as the relationship between earning and value (O'Sullivan & McCallig, 2012)

1.7.7 Go-To bank
Being the Go-To bank for Barclays means being the instinctive partner of choice for anyone looking to do banking business, whether a small business, first time house buyer, or a large corporate undertaking a complex merger or acquisition deal (Barclays PLC Group, 2013).

1.8 Chapter Summary
This study addressed the main factors affecting implementation of strategy which are the resource allocation, organisation design and structure and how to monitor and evaluate the strategy implemented.

In chapter two and three of this study there are the literature review and research methodology respectively. Chapter four of this study incorporated findings from the respondents of the study where feedback has been represented in graphs and tables. Chapter five of the study has outlined the discussions of the findings and conclusions have been drawn from these discussions to provide recommendations for the bank as well as stakeholders on factors to consider in the implementation of strategy.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This literature review has reviewed the factors that affect strategy implementation. The factors in consideration are organisation design and structure, allocation of resources, monitoring and evaluation.

2.2 Organization Design and Structure on Strategy implementation
Johnson, Kevan and Richard (2006) define structural design as the roles, responsibilities and lines of reporting in an organisation. It can deeply influence the sources of an organisation’s advantage, in term of knowledge management. If the organisations structure does not match the company’s strategy it may prove fatal in its implementation. The structural design describes who is responsible for what. It also provides clarity on decision making, communication line and knowledge exchange. This will help employees to easily receive feedback from top and middle management without fear of distortion (Johnson et al., 2006). According to Pearce and Robinson (2007), an organisational structure refers to formalised arrangement of interaction between responsibility of tasks, people, and resources in an organisation. They also describe an organisational structure as a chart often pyramidal with roles and titles in cascading fashion (Pearce and Robinson, 2007). Ansoff and McDonnell (1990) describe organisational structure as a formal grouping of the firm’s logistic and managerial activities. They provide the structural alternatives as divisional, multinational, matrix and innovative structures.

There are seven basic structural types mentioned by Johnson et al., (2006). Functional structure which is based on the activities of the organisation such as production, finance and accounting, marketing, human resources and research and development. Multidivisional structure which is based on products, services or geographical areas. Holding company structure which consists of shareholdings in a variety of separate business operations. Matrix structure which is a combination of structures which take the form of products and geographical divisions or functional and divisional structures operating together. Transnational structure combines the local responsiveness of the international subsidiary with the coordination advantages found in global product companies. Team-based structure combines both horizontal and vertical coordination
through structuring people into cross-functional teams. Finally, there is a project-based structure where teams are created to a specific task then dissolved (Johnson et al., 2006). Tavitiyaman, Zhang, & Qu (2012), indicate that types of organisational structures correspond to different abilities of the company to process information and is distinguished between mechanistic and organic structure. A mechanistic structure is highly formalised, non-participative, hierachical, tightly controlled and inflexible. An organic structure on the other hand is defined by its informality, decentralisation of authority, open channels of communication and flexibility. Pearce and Robinson (2007) perspective of organisational structures are similar to those described by Johnson et al., (2006) but he included product-team structure which seeks to simplify and amplify the focus of resources on a narrow but strategically important product, project, market, customer, or innovation.

Some of the highlights when reviewing how organisation design and structure affects strategy implementation in this study will be authority, degree of centralization, degree of intergration and formalization (Pertusa-Ortega, Clever-Cortes, & Molina-Azorin, 2008).

2.2.1 Organisation Design, Structure and Authority in Strategy Implementation

Ana Shetach (2010) defined authority as the managerial force that enables one to lead the project independently without the need of approval for any decision, move or step, throughout the project. Martínez-León & Martínez-García (2011) defined authority as characterised by staffing, cordination, organising and reporting relations. In bureaucratic and mechanistic structures, they are well suited for mass production in a stable environment. Mechanic structures are mainly characterised by different hierarchical levels, and the reporting channel is usually from the top management through a long process of downward communication to get to the employees. By the time the information gets to the employees it is filtered and only part of it is communicated. Coordination is also achieved through intense work division, which generates high work specialisation and differentiation with specialised role and responsibilities. This therefore implies that there are functional grouping and rigid departmental separation (Martínez-León & Martínez-García, 2011). In Organic and decentralised structures the organisation is characterised by a flat and horizontal shape with possibly three layers of management between the top and the front line. The company receives knowledge through the employees who operate as independent and separate. Middle level management
communicates the continuous interactive process by which knowledge is created. There is therefore decentralization of (Martínez-León & Martínez-García, 2011).

According to Pearce and Robinson (2007), in a simple organizational structure the authority is very demanding on the owner of the business. If successful it may give increased attention to day-to-day activities which may be an expense in terms of time invested. In functional organisational structure it differentiates and delegates the day-to-day operating decisions though it limits the development of general managers. In divisional structure, it frees the chief executive officer for broader strategic decisions though it creates a room for potential inconsistency among divisions. In the matrix structure it maximises efficient use of functional managers as well as gives the middle level managers broader exposure to strategic issues. Ansoff and Donnell (1990) pp. 340-448 seems to agree with the authority under the structures described above. Rugman and Collinson (2006) however viewed that in companies with high power distance the leadership tends to be autocratic as they will tend to view others as indecisive and too compromising.

Tavitiyaman et al. (2012) was concerned that many studies have explored the relationships between firm performance and brand image or organisation structure and organisational success, but the role played by organisation structure and the question of whether a mechanistic or organic structure is more appropriate for business implementation are largely unexamined issues.

2.2.2 Degree of Centralization

In mechanistic organizational structures there is high centralization and relational complexity resulting from the managers’ need to coordinate the organizational activities required to develop the vision of their planning control and continuous intervention in problem resolution, decision-making and management (Martínez-León & Martínez-García, 2011). Also organic structures are mainly suited to industries with low rates of technical and market change hence helps management to monitor cost effectiveness and quality (Tavitiyaman, Zhang, & Qu, 2012). Mechanistic structures are ideal for carrying out particular, unusual tasks that frequently change because the specialisation of tasks is based on knowledge. According to Pearce and Robinson (2007), the in a simple organisational structure the company is reliant on the owner as the central point for all
decisions hence can limit development. In a functional structure, it retains a centralized control of strategic decisions hence has a strong potential for interfunctional conflicts due to priorities placed in particular functions. In a divisional structure it retains functional specialisation within each division though there are higher chances increased costs through duplication of efforts.

It is fundamental in an environment characterised by high dynamism, complexity, hostility and uncertainty where the organisation have to be guided to continuous change, learning and innovation (Martínez-León & Martínez-García, 2011). From the findings of Dimitratos, Thanos, Petrou, Papadakis, Verbeke, Tavares-Lehmann and Tulder (2011) they concluded that formalisation and decentralisation have a positive effect on performance.

### 2.2.3 Degree of Integration

“A leader must investigate the knowledge and alignment needs with the organisational strategy. Leaders must also plan and execute the management strategy to support the value proposition and to define the organization’s mission”. Leadership is widely recognized as being fundamental in the integration of strategy in an organisation (Zyngier et al., 2006). According to Antonio (2006), companies must be able to develop and implement competitive advantages while meeting the expectations of shareholders, employees, suppliers, creditors, clients, institutions, communities and societies in general. Ouriques (2009,) mentions that organisations that outline their management strategy in line with the organisation structure and design have been improving their performance.

In the implementation process of the company’s organizational strategy, ethics and balance must be considered in the integration between economic, social, environmental elements and the corporate identity (Simas, Lengler, & Antonio, 2013). Norman and MacDonald (2003) advise that that many companies whether small or large, governments and political parties among others have put into practice the idea of being able to assess companies not only in economic terms but also in social and environmental terms, so that all stakeholders benefit.

### 2.2.4 Formalisation

Formality in Strategic Management refers to the degree to which participants responsibilities, authority and discretion in decision making are specified (Pearce and Robinson, 2009).In
mechanistic structures a high degree of specialisation creates room for experts and the high formalisation reduces the capacity for improvisation and creating new competences. The structure is therefore to assist with routine problems but it is unable to cope with new ideas. This therefore reinforces past behaviours and inhibits rapid response to the competitive environment (Martínez-León & Martínez-García, 2011).

It is also more suited to environments where change is rapid and prefers a minimal degree of hierarchy. It is therefore known for the flexibility in staff work activities (Tavitiyaman, Zhang, & Qu, 2012).

2.2.5 Organisation Process

Organisation structure and organisation processes are related as they both pursue a defined strategy. Organisation process can help or stop the implementation of strategy into action. Organisation process can either be divided into input and output process or direct and indirect controls. Inputs process is based on resource consumed in strategy in particular financial resources and human commitment. The output processes ensure satisfactory results. The direct controls involve close supervision or monitor while indirect controls on the other hand is hands off. An organisation may use a blend of these conditions but some will dominate over others according to the strategic challenges (Johnson et al., 2006).

2.2.6 Management Levels, Functions and Operational Systems

Three levels of management and decision making are highlighted as a pyramid to show their hierarchy. Starting from the bottom of the pyramid the levels are operational or functional level, business or administrative level and strategic or corporate level. The Corporate level is the senior or top level of management and they make decisions that have a long term effect in the direction of the entire organization. The business or middle level managers make tactical decisions that focus on intermediate-term issues to fulfill the organizations missions, objectives and strategy. Finally, the operational or low-level managers, supervisors and workers need detailed data and decision making is for the immediate or day to day activities or operations (Pearce and Robinson, 2009).

2.3 Resource Allocation on Strategy Implementation

Wang, Lee and Chung (2009) provided a breakdown of total company expenditures that are utilised by major stages in the innovation process, and the proportion spent on successful versus failed strategies. They concluded that successful firms spent more on
the early stages of implementation. Okumus (2003) on the other hand identified that there should be a process of ensuring that all necessary time financial resources, skills and knowledge are made available. Resources are closely linked with operational planning and has a great deal of impact on communication and on providing training and incentives. In strategy implementation the main areas to look into when allocating resources are the procedures of securing and allocating financial resources for the new strategy, information and knowledge requirements, the time available to complete the process and the political and cultural issues within the company and their impact on resource allocation. Sterling (2003) viewed that some strategies fail because not enough resources were allocated to successfully implement them.

As per analysis above, this study looked into factors to consider when allocating resources. Organisations have four key resource areas that is people, information and technology, finance.

2.3.1 People and Strategy Implementation

In understanding people Edmonds (2011) analysed the resistance to change in organisations, brought largely by the fear of the unknown by people. He further emphasises that if handled correctly, using known and tested change management techniques, change can be brought successfully, to ensure that the company achieves the set goals and objectives to budget. Seif (2007) however states that the notion that people will resist change is ill founded. This is because, people do not necessarily resist change out of hand. He further states that individuals rarely reject change that has obvious personal gain. He thus advises that we should understand the difference between resistance and readiness. Sterling (2002) interviewed a number of CEOs and they agreed that involving people directly in the strategy process has paid off for them as the people buy-in and feel responsible for it.

If your staff and stakeholders don’t understand the strategy and fail to engage, then the strategy has failed. To engage the people in the organisation for the new strategy we need to prepare them for change. Change is difficult and human tendency is to resist it. This may cause hurdles in the implementation no matter how good the the strategic vision is (Okumus, 2003). There is existing literature on how communication affects change management (Heathfield, 2008) and how lack of communication can impact on the satisfaction and engagement of staff in the long term. Waldersee and Griffiths (2004)
analysis supported that for successful change focussed on the work itself, not on abstractions. In their view, social, relationships, attitude and behavioural changes will be pulled along over time by the irreversible structural changes.

Gibson and Saxton (2005) they agreed that when different stakeholders, from different functional areas or organisations are involved, contradictory interests, assumptions, expectations, knowledge and perceptions may seriously jeopardize decision making and implementation process. In an interview with Dr. David Norton by Kim Foster (2006), they agreed that strategy is everyone’s job. The people at the top are responsible for formulating strategy and seeing it into execution while the executing is done by front line staff. Once the strategy is clear at the top there should be investment to communicate to the workforce and educating them, changing their incentives and increasing their motivation to execute the strategy. Sharma (2011) linked people to the Balanced Scorecard and concluded that it is a management system that focuses the efforts of people, throughout the organisation, toward achieving strategic objectives through converting organisation mission and vision to action and performance.

2.3.2 Resource Allocation, Finance and Strategy Implementation

Finance and its management is a key determinant of the success of strategy implementation. Johnson, Scholes, Whittington (2006) define the three issues that organisations face in terms of the relation between strategy and finance as managing for value, funding strategic development and financial expectations of stakeholders. Punniyamoorthy and Murali (2008) provides Kaplan and Norton’s Balance Scorecard which takes account the financial and non financial in the implementation of strategy. The financial perspective evaluates the profitability element of strategy.

Budgetary programs can become so detailed that they are cumbersome and overly expensive. Budgets are used as instruments of tyranny that result in frustration, resentment, absenteeism, and high turnover. To minimize the effect of this concern, managers should increase the participation of subordinates in preparing budgets (David, 2007). Lack of financial data would foster a climate of uncertainty, would allow rumors and wrong information to flourish (Heldenberg, Croquet, Amone & Scoubeau, 2006). According to Kihn (2011), budget targets can be understood as financial plans, forecasts.
or estimates of the expected future outcomes which has been agreed on by the management team.

Pool (2004) argues that many companies merge their strategy reviews with a discussion of financial statements and inject financial targets during their first phase of strategic planning, though he recommends that organizations must design two separate meetings. While some managers recognize that aggregate financial measures (such as operating income, return on investment, and economic value added) are not perfect by themselves, they claim that financial measures are well understood and provide clear, explicit and objective goals. They report the past actions hence promote short-term behavior which can see through the long term (Papenhausen and Einstein, 2006).

A program is a statement of the activities necessary for accomplishing the strategy that you have chosen. Often, it includes a large number of activities that are undertaken to implement the strategy. A budget is a statement of the program detailing how much it will cost. A budget therefore a tool to be used in implementation, but is also critical in evaluation and control. An accurately designed budget should aid in implementation by identifying expenses and benefits which are expected to be realized in carrying out the organisation’s program. In this budget is where the organisation may realise that some programs, no matter how appropriate they may be out of the organisation’s reach financially (Katsioloudes, 2002). Some organisationms use budgeting as a control of expenditures, where other businesses use it as a tool for planning, a means of communication, or a goal to measure performance. Companies institute budgeting formats in different ways, all companies benefit from its use, and budgeting functions perform an important mechanism in a firm’s organisational architecture and business success depends on it (Fruitticher, Laster, Stroud & Yakhou, 2005).

2.3.3 Resource Allocation, Information and Technology and Strategy Implementation

Bednall, Callaghan and Valos (2007) defined CRM as the collection and analysis of customer data (its external role). Kadiyala and Kleiner (2005), analyzed informations sysstems benefits to a business. They advise that CRM provides better management of information hence a business can make strategic decisions with more certainty about the outcome. It also improves services to the customers as well as increase productivity
through proper utilisation of resources. A good information system allows the firm to reduce costs. Direct communications between suppliers, manufacturers, marketers, and customers can link together elements of the value chain as though they were one organization. Improved quality and service often result from an improved information system (David, 2007).

Even if high-level management found opportunity to apply e-business applications, they would need the ability to implement IT effectively (Folta and O’Brien, 2004). Many organisations have introduced innovative IT strategies and e-business applications to improve competitiveness and transform their enterprises (Pai and Yeh, 2008). As a result, the development and implementation of IT strategy has become a focus for information management (Khazanchi, 2005).

Bhattacharya, Gulla and Gupta (2012), advise that with Information Technology infrastructure emerging as an important factor in achieving business objectives, firms need to be technologically ready to take on the strategic challenges that can fuel growth.

Salmela and Spil (2004) noted that with continual innovation in new technologies, alignment between IT strategy and corporate strategy has become more difficult than previously, even though the process of planning os still the same as in the past. They concluded that if a company has a well-planned IT strategy, it can improve its overall competitiveness to intergrate corporate strategy and IT implementation effectively.

Enterprises with higher capability are able to deliver IT services to the entire organisation. The implementation of strategy is related to the change of market, but also capability of the whole organisation hence for the organisation to develop its IT capability is one of the critical tasks of e-business (Eikebrokk and Olsen, 2007).

2.3.4 Rewards and Incentives in Strategy Implementation

Milne (2007) observed that the many organizations that are implementing or are planning to implement rewards and recognition facilities in the belief that it would help bring about the desired cultural change. These organizations would therefore offer large amounts of money in these types of activities and some managers go to the extent of setting some funds aside from their budgets for this intended purpose. These incentives in turn are meant to encourage employees in terms of loyalty, foster teamwork and
ultimately facilitate the development of the desired culture which supports knowledge sharing.

Azasu (2012) on the other hand emphasizes that the relationship between employers and employees is characterized by economic and social exchanges. He further states that “the economic exchange is the formal contractual relationship that is created when the employee is hired”. In this case the employer provides pay and benefits in exchange for the employee’s skills and efforts. Certain aspects of the relationship are however, beyond the noted economic exchange as repeated interactions generates a set of obligations for both the parties resulting in benefits that are not always in the contract. Azasu claims that this can be referred to as the agency theory where one party (the principle) enters into a contract with another party (the agent) to perform a task that involves specialized skills in exchange for a reward.

2.4 Business Environment on Strategy Implementation
While implementing strategy the organization has to carry out an External audit of their environment using a SWOT analysis. The SWOT analysis determines the Strength, Weakness, Opportunities and Threats of the organization’s environment. The Environment in this case has Political, Economical, Sociological, Technological, Legal, Ecological or Geological and Competitive environmental factors that may hinder the success of implementation of strategy (Katsioloudes, 2002).

According to Lynch (2000), the environment of the organization can be assessed in two main categories which are the changeability (the degree in which the environment is likely to change and predictability (the degree in which such changes can be predicted). He states that this can be further subdivided into complexity (the degree to which the organization’s environment is affected by factors such as internalization and technological, social and political complications and novelty (the degree to which the environment presents the organization with new situations).

Pearce and Robinson tend to think that a host of external factors influence a firm’s choice of direction and action. This also has an effect on its organizational structure and internal processes. They divided these factors into three interrelated subcategories; which are remote environment, industry environment and operating environment. The further suggest that the interrelationship between the firm and its remote, its industry and its
operating environments form the basis of the opportunities and threats that a firm faces in its competitive environment (Pearce and Robinson, 2003).

Strategic Management requires an understanding of the external business environment and the internal resources, capabilities and culture. To understand the external environment means that you know what may affect the organization from the outside. The external analysis is considered in three levels which are; general changes in the business environment, change within the industry and known activities of immediate competitors and other specific events (Macmillan and Tampoe, 2000).

In this study we will the business environment will be analyzed using the political, economic, social and legal factors to determine how they affect implementation of strategy.

2.4.1 Political factors and strategy implementation.

Political factors determine the legal and regulatory parameters within which firms must operate. These parameters may be placed on firms through fair trade decisions, antitrust laws, tax programs, minimum wage legislation, pollution and pricing policies, administrative jawboning, and many others aimed at protecting employees, consumers, the general public, and the environment. These laws tend to reduce the firms’ profits or to benefit by protecting some firms. These are through actions like patent laws, government subsidies or product research grants (Pearce and Robinson, 2003).

According to the guardian report political interference is the biggest risk facing the banking industry. Barclays bank, one of the historical bank and has branches all over the world, expected comply with government rules as well as the political factors which at times do not facilitate growth. For example tax for Barclays to do business in Kenya will not be same as it is in UK. Different countries also have different ways of doing their banking. Jill treanor while commenting for the Guardian report also adds that political interference is at the top risk and too much regulation is at number three as concerns to financial crisis in the banking industry’s future (Treanor, 2010).

In Barclays bank of Kenya the pre-tax profit stood at 5.5 billion shillings, reflecting a 13 per cent decline for the first half of 2013. Managing Director of Barclays Bank of Kenya, Jeremy Awori, told CNBC Africa “I believe one of the key causes which affected all
banks in the first four months of the year was the benign environment in Kenya due to the past elections” (Mohamed, 2013).

2.4.2 Economic Factors and Strategy Implementation

Economic factors concern the nature and direction of the economy that the organisation operates in. Both the national and international level management must consider the availability of credit, the level of disposable income, the propensity of people to spend, interest rates, inflation rates, and trends in the growth of the gross national product among other economic factors (Pearce and Robinson, 2003).

The description given by Ireland, Hoskisson and Hit (2009) is that the economic environment refers to the nature and direction of the economy in which a firm competes or may compete. They further identify that as nations are interconnected as a result of the global economy the organisations must therefore scan, monitor, forecast and assess the health of the economies outside their host nation.

In the Barclays report (2012) it was outlined that the economic environment in Barclays main markets was weak or had negative growth as measured by GDP. This in turn affected business, consumer and investor confidence across the regions. The report further stated the the performance of the economy in these regions will remain uncertain which in turn would lead to adverse impact on the Group’s operations, financial operations and prospects (BBK, 2012). From Jeremy Awori interview with CNBC he stated that with the new government there are budget deficit issues, exchange rate challenges and changes in interest rates (Mohamed, 2013).

2.4.3 Social Factors affecting Strategy Implementation

The social factors that affect a business involve from beliefs, values, attitude, opinions and lifestyles of persons in the business or firm’s external environment. This usually is developed from cultural, ecological, demographic, religious, educational and ethic conditions. It has however been noted that translating social change into business forecasts is a difficult process due to shifts in population, changing work values, ethical standards and religious orientation (Pearce and Robinson 2003, pp. 58-59).

Ireland et. al., (2009) states that sociocultural factors is mainly concerned with the society’s attitude and cultural values. They also noted that attitude and values form the
cornerstone of a society as well as drive demographic, economic, political/legal and technological conditions and changes.

Richard Lynch also analyses the socio-cultural factors as shifts in values and culture, change in lifestyle, attitudes to work and leisure, ‘Green’ environmental issues, education and health, demographic changes and distribution of income (Lynch, 2000).

2.4.4 Technological Factors that affect Strategy Implementation

Technological factors involves institutions and activities which create new knowledge and translate that knowledge to new products, outputs, processes and materials. Technology is rapidly changing hence firms need to thoroughly embrace and study the technological segment, Ireland et. Al., (2009).

Technology involves government investment policy, identified new research initiatives, new patents and products, speed of change and adoption of new technology, level of expenditure on R&D by organisation’s rivals and developments in nominally unrelated industries that might be applicable (Lynch, 2000).

A sudden technological breakthrough can have a dramatic effect on a firm’s environment in terms of new markets, products or significantly shortened manufacturing life. Therefore all firms especially those in turbulent growth must strive for understanding both of existing technology and technological advances and the probable future advances that may affect their products and services, Perce and Robinson (2003).

2.5 Chapter Summary

The literature review demonstrated that there are various perspectives and schools of thought about strategy implementation. The review also highlighted on factors that affect strategy implementation to be organisational culture and design, resource allocation and monitoring and evaluation of strategy. On organisational structure and design the research was based on the roles, responsibilities and lines of reporting in an organisation. In resource allocation the research was based on the financial resources, skills and knowledge, rewards as well as Information and Technological skills. On the business environment the research looked at the SWOT and PESTLE analysis.

The next chapter laid out the methodology of how the study was conducted through research design.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
In this phase of the study, discussions were held with senior managers in the bank. The objective was to generate scale items for the eventual survey instrument. The discussion agenda focused on the objectives of the research in relation to strategy implementation. A survey sample was selected from the Barclays Bank of Kenya list of managers. The population was identified and was grouped in strata of low level management, middle level management and top management. After preliminary contact to establish the name of the person with major responsibility in strategy implementation, judgmental sampling was used to support the strata and a self-completion questionnaire was distributed by mail.

3.2 Research Design
For the purpose of this research Nairobi County was used as a case study to reflect the total population which is Barclays Kenya. Conclusions were therefore drawn from a quantitative analysis perspective. A mini survey was conducted with the help of a questionnaire. According to Kothari (1985) a structured mini survey is a use of formal list of questions asked of all respondents in the same way. The information may be collected through mail questionnaires, telephone or personal interview. This research methodology is quick and low cost compared to other methods. It can also be used to collect many different kinds of information. The techniques under this study were through a closed ended questionnaire. The dependent variables were the research objectives which are the organization design and structure, resource allocation and monitoring and evaluation.

3.3 Population and Sampling Design
3.3.1 Population
The study population in a research is from whom the required information to find answers to the research questions is obtained. From the literature review it was clear that the people who constitute the study was the low, middle and to management. The population must be working at Barclays Bank of Kenya and are in low, middle and top management positions. The numbers of employees in Barclays Bank of Kenya who are in low, middle and top management positions are a total of 187 in Nairobi.
Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Grade</th>
<th>Female</th>
<th>Female (%)</th>
<th>Male</th>
<th>Male (%)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non clerical (NC)</td>
<td>1</td>
<td>6</td>
<td>16</td>
<td>94</td>
<td>17</td>
</tr>
<tr>
<td>BA1</td>
<td>555</td>
<td>48</td>
<td>603</td>
<td>52</td>
<td>1158</td>
</tr>
<tr>
<td>BA2</td>
<td>309</td>
<td>47</td>
<td>351</td>
<td>53</td>
<td>660</td>
</tr>
<tr>
<td>BA3</td>
<td>319</td>
<td>48</td>
<td>344</td>
<td>52</td>
<td>663</td>
</tr>
<tr>
<td>BA4</td>
<td>160</td>
<td>48</td>
<td>171</td>
<td>52</td>
<td>331</td>
</tr>
<tr>
<td>BA5</td>
<td>74</td>
<td>44</td>
<td>93</td>
<td>56</td>
<td>167</td>
</tr>
<tr>
<td>BA6</td>
<td>19</td>
<td>33</td>
<td>38</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>BA7</td>
<td>1</td>
<td>7</td>
<td>13</td>
<td>93</td>
<td>14</td>
</tr>
<tr>
<td>Senior Executive</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1438</td>
<td>47</td>
<td>1630</td>
<td>53</td>
<td>3068</td>
</tr>
</tbody>
</table>

Source: Barclays Bank of Kenya Human Resource department 2013

BA2 are the supervisory management

BA3, BA4 and BA5 are the middle management

BA6, BA7 and Senior Executives are top management.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

According to Cooper and Schindler (2010), a sampling frame is the working population or the list containing the population element of the study. In this study our sampling frame was the list of low, middle and top managers in Barclays Bank of Kenya. The list has been provided by the organizations Human Resource department of Barclays Bank of Kenya.

3.3.2.2 Sampling Technique

The sampling technique used in the study is stratified random sampling method. Kothari (1985) defines a stratified random sample as where the population is divided into mutually exclusive groups such as age groups and random samples are drawn from each group. Cooper & Schindler, (2010) defines stratified random sampling to involve a process of stratification (different strata are made on the bases of different factors such as life stages, income levels, management levels, etc). A stratified random sampling is used when the population is heterogeneous in this case the low, middle and top management.
3.3.2.3 Sample Size

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Strata</th>
<th>Number of case study in Nairobi</th>
<th>Male</th>
<th>Male %</th>
<th>Female</th>
<th>Female %</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>38</td>
<td>3</td>
<td>4%</td>
<td>1</td>
<td>1%</td>
<td>4</td>
</tr>
<tr>
<td>Middle Management</td>
<td>337</td>
<td>18</td>
<td>26%</td>
<td>16</td>
<td>23%</td>
<td>34</td>
</tr>
<tr>
<td>Supervisory Level</td>
<td>306</td>
<td>12</td>
<td>17%</td>
<td>19</td>
<td>28%</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>681</td>
<td>33</td>
<td>48%</td>
<td>36</td>
<td>52%</td>
<td>69</td>
</tr>
</tbody>
</table>

Source: Barclays Bank of Kenya Human Resource department 2013

The sample size is a part of the population that will be used for the study Cooper & Schindler, (2010). He further defines a case study as a part of the population that represents the total organization. The 10% up to 30 sample size was determined using the Cooper & Schindler, (2010).

3.4 Data Collection Methods

The type of data collected was primary data which was collected using a questionnaire. Primary data is where data is collected for the first time. Mail Questionnaires were used as it can collect large amounts of information at a low cost per respondent. The questionnaire is deemed to be the most appropriate in this study because it can collect more information, may give more honest answers to personal questions on a mail questionnaire. No interview was involved to bias the respondent’s answers.

The types of questions were structured questions. This means that there was a list of questions of all respondents in the same way. The questions were closed ended which includes all possible answers/ prewritten response categories, and respondents were asked to choose among them. The questionnaire were composed of five sections which included the demographics and the variables questions hence were relate to organization structure and design, resource allocation and monitoring and evaluation of strategy.
3.5 Research Procedures
The questionnaire developed for this study was pre-tested to know how long it would take to fill in the questionnaire, if the questions met the objectives and to test the quality of the questionnaire. The pre-test was done on employees at supervisory level at 10% of the sample size. The pre-test was conducted to this sample as their characteristics are similar to the low, middle and top managers and any feedback from the respondents was added or applied to the questionnaire.

Mail questionnaire has been selected as the best way to administer the questionnaire. This is because it is deemed to be the most appropriate in this study because it can collect more information, gives more honest answers to personal questions on a mail questionnaire. No interview was involved to bias the respondent’s answers. I selected randomly 10% of the respondents’ questionnaires to determine the quality of the information provided. Some of the things that were analyzed when calling was to make sure that the data provided was correct, that is, filled in by the appropriate people.

To ensure appropriate response of the questionnaire a cover letter was provided to identify that the purpose of the study was for scholarly reasons. Telephone reminders were done to prompt the respondents not to forget to fill in the questionnaire. The respondents were also assured of anonymity hence were not victimized for their views. Quality checks were also done to the questionnaire to ensure that there is no missing information, or data provided are not out of range.

3.6 Data Analysis Methods
Once data was received editing, coding entering and cleaning was done for the purpose of ensuring that we had the correct data. Data analysis was conducted using descriptive statistics. Data was presented by way of tables and figures. Statistical Package for social Sciences was used for analysis.

3.7 Chapter Summary
The sampling was to confirm the factors that affect successful implementation of strategy. Through the quantitative analysis the research provided the population size, sample size, sampling techniques, data analysis methods and data collection methods have been highlighted. The next chapter will analyze the research findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter aims at reporting the results and findings as collected from the field based on the following research objectives; to study the effect of organisational design and structure on strategy implementation, to investigate the effect of allocation of resources on strategy implementation and to identify the effect of the business environment on implementation of strategy.

Table 4.1: Demographics and response rate

<table>
<thead>
<tr>
<th>Strata</th>
<th>Response</th>
<th>Response vs sample %</th>
<th>Male %</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>4</td>
<td>100</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Middle Management</td>
<td>29</td>
<td>85</td>
<td>11</td>
<td>19</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>Supervisory Level</td>
<td>25</td>
<td>81</td>
<td>12</td>
<td>21</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>26</td>
<td>45</td>
<td>32</td>
<td>55</td>
<td></td>
</tr>
</tbody>
</table>

The chart below shows that the respondents were management staff as the study had targeted to give top management level 10% however 7% of the total respondents were senior management. Ninety percent equally shared between the middle management and supervisory level of management. The response rate was 50% middle management and 43% supervisory level.
Fig. 4.1.1: Position in Organization and Response rate

The above figure shows that the average age of staff under supervisory level is 32 years while those at middle level of management are at an average of 45 years old while the average age of staff at top management level is 49 years old.

Fig.4.1.2: Average age of respondents

The above figure shows that the average age of staff under supervisory level is 32 years while those at middle level of management are at an average of 45 years old while the average age of staff at top management level is 49 years old.
Fig. 4.1.3: Average work experience of respondents

Fig 4.3 shows that majority of the respondents composed 41.9% who had worked for 11-9 years with BBK while 38.2% had worked with the organization for 6-10 years, 8.7% has worked in the organization for 1-5 years and finally a minority of 6.2% and 5% had worked with the organization for 16-20 and above 21 years respectively.

Fig. 4.1.4: Participated in strategy in the past 5 years

Correspondence who had participated in strategy in the past five years continued with the study while those who had not were exited from the study.
Fig. 4.1.5: Strategy

The research aimed to establish the decisions the subjects of the study had executed recently and as per the above figure the respondents had participated in the implementation of the above decisions.

Fig.4.1.6: Time allocation on strategy

The above figure on time allocated on strategy took more that originally allocated 42% of the respondents strongly disagree, 31% of the respondents disagree, 4% of the respondents were neutral, 15% of the respondents agree while 8% of the respondents strongly agree.
4.2 The effect of Organisation design and structure

The findings on the organization design and structure from the correspondents were as follows:

![Chart showing response on problems surfaced which had not been identified earlier]

**Fig. 4.2.1: Problems surfaced which had not been identified earlier**

The figure above was to determine if major problems surfaced which had not been identified earlier and the respondents indicated that 7% strongly disagreed, 15% of the respondents disagreed, 1% was neutral, 32% agreed which 45% strongly agreed.

![Chart showing response on sufficiency of coordination]

**Fig. 4.2.2: Coordination was not sufficiently effective**

The findings on if co-ordination was not sufficiently effective indicate that 27% strongly disagree, 19% disagree, 8% were neutral, 22% agree while 24% strongly agree.
The findings on competing activities if they distracted attention from implementing the decision made, 34% of the respondents strongly disagree, 39% of the respondents disagree, 3% of the respondents were neutral, 15% of the respondents agree while 9% of the respondents strongly agree.

On leadership and direction provided by departmental managers were inadequate 52% of the respondents strongly disagree, 39% of the respondents agree, 1% was neutral, 6% agree and 2% strongly agree.
On lack of understanding the organization structure and design in the implementation process, 45% of the respondents strongly disagree, 27% of the respondents disagree, 16% of the respondents agree and 12% of the respondents strongly disagree.

The research wanted to establish if overall goals were not sufficiently well understood by employees and 58% of the respondents strongly disagreed, 35% of the respondents disagreed, 4% of the respondents agreed while 3% of the respondents strongly agreed.
The research wanted to establish if changes in responsibilities of key employees were not clearly defined and 42% of the respondents strongly disagreed, 29% of the respondents disagreed, 13% of the respondents were neutral while 16% of the respondents agreed.

The research wanted to establish if key formulators of the strategic decision did not play an active role in implementation and 64% of the respondents strongly disagreed while 36% of the respondents disagreed.
Fig. 4.2.9: Problems requiring top management involvement were not communicated early enough

The research wanted to establish if problems requiring top management involvement were not communicated early enough and 46% of the respondents strongly disagreed, 21% of the respondents disagreed, 13% were neutral, 13% agree while 7% strongly agree.

Fig. 4.2.10: Deviation from original plan objectives

The research wanted to establish if there was deviation from original plan objectives and 51% of the respondents strongly disagreed, 42% of the respondents disagreed, 4% agree while 3% strongly agree.
4.3 The effect of Resource Allocation on implementation of strategy

The feedback received from the respondents on the effect of resource allocation in the implementation of strategy was as follows:

**Fig. 4.3.1: Capabilities of employees involved were insufficient**

The research wanted to establish if the capabilities of the employees involved were insufficient and 57% of the respondents strongly disagreed, 39% of the respondents disagreed while 4% of the respondents were neutral.

**Fig. 4.3.2 Training instruction given to lower level employees were inadequate**

The research wanted to establish if training and instruction given to lower level employees were inadequate and 42% of the respondents strongly disagreed, 27% of the respondents disagreed, 1% was neutral, 17% of the respondents agreed while 13% of the respondents strongly agreed.
Fig. 4.3.3: People are not measured or rewarded for executing the plan

The research wanted to establish if people are not measured or rewarded for executing the plan and 12% of the respondents strongly disagreed, 8% of the respondents disagreed, 38% agree while 42% strongly agree.

Fig. 4.3.4: Lack of feelings of “ownership” of a strategy or execution plans among key employees

The research wanted to establish if there was lack of feelings of “ownership” of a strategy or execution plans among key employees and 1% of the respondents strongly disagreed, 6% of the respondents disagreed, 2% were neutral, 38% agree while 53% strongly agree.
Fig. 4.3.5: Insufficient financial resources to execute the strategy

The research wanted to establish if there were insufficient financial resources to execute the strategy and 37% of the respondents strongly disagreed, 29% of the respondents disagreed, 3% were neutral, 15% agree while 16% strongly agree.

Fig. 4.3.6: Information systems used to monitor implementation were inadequate

The research wanted to establish if training and instruction given to lower level employees were inadequate and 12% of the respondents strongly disagreed, 9% of the respondents disagreed, 5% was neutral, 28% of the respondents agreed while 46% of the respondents strongly agreed.
The research wanted to establish if key implementation tasks and activities were not sufficiently defined and 37% of the respondents strongly disagreed, 28% of the respondents disagreed, 22% of the respondents agreed while 13% of the respondents strongly agreed.

**4.4 The effect of the Business Environment in the implementation of strategy**

The business environment has adverse impact on the implementation of strategy and some of the issues were highlighted by the respondents.

The research wanted to establish if uncontrollable factors in the external environment had an adverse impact on the implementation and 35% of the respondents strongly disagreed, 26% of the respondents disagreed, 18% was neutral, 13% of the respondents agreed while 8% of the respondents strongly agreed.
The research wanted to establish if advocates and supporters of the strategy left the organization during implementation and 8% of the respondents strongly disagreed, 6% of the respondents disagreed, 5% was neutral, 35% of the respondents agreed while 46% of the respondents strongly agreed.

4.2 Chapter Summary
The research has provided the findings of the research as per the respondents view. The next chapter will interpret the findings of the data to show the factors affecting the implementation of strategy. The researcher will use tables, charts and graphs to interpret the findings.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter deals with the discussions and findings of the study as well as offers a conclusion and recommendations that Barclays bank of Kenya can adopt to improve on their strategy implementation.

5.1.1 Summary

The general objective of the study was to find out the factors that affect the implementation of strategy. The research questions were to study the effect of organisational design and structure on strategy implementation, to investigate the effect of allocation of resources on strategy implementation and to identify the effect of the business environment on implementation of strategy.

To achieve this, the study used a case study to look at Barclays bank of Kenya. A case study was chosen to enable collection of comprehensive data from the sample to represent the organization. The population interest was Nairobi County for this study to represent Barclays bank of Kenya.

The sampling frame covered top, middle and supervisory levels of management in different branches and different departments. For the purpose of this study a total of 69 respondents were considered. This sample size took into account all the management levels and total number of 3,068 as the population into account. The sampling technique for the study was stratified random sampling technique, where the different managerial levels (Top management, middle management and Supervisory levels) were put to different strata.

A self administered questionnaire was the instrument of data collection. Additional information was gathered through e-mails, telephone conversations and face to face discussions. The questionnaire had different sections to ensure that they understood the questions. A time framework of a week was given to the respondents. To ensure confidentiality the respondents did not fill in their names or branches that they worked. They were assured of utmost confidentiality before the questionnaire was filled.
The study revealed that Barclays bank of Kenya includes its shareholders in its strategies through publication of the strategies on media, staff meetings and minute meetings with shareholders. To further enhance the success of Barclays regularly updates its organization leadership structure and yearly reviews its strategies.

The study further shows that IT is a challenge to foster implementation of strategy. The organization needs to improve its technology capability so that strategy can be easily implemented. Though the management tried to sufficiently communicate the strategy the technology facility hindered full implementation.

The study also showed that resource allocation is a challenge as the resources are not equitably distributed. The bank may need to distribute its financial resource and staff equitably in order to effectively implement the strategies.

5.2 Discussions

5.2.1 The effect of organizational design and structure on strategy implementation

The study established as per questionnaire outline that most respondents felt that coordination of tasks was done sufficiently as the activities were effectively prioritized. This is because the organization puts task forces which constitute members of different departments to coordinate the different activities that will be going on during the change of the particular strategy. The organization also provides deadlines as when each task is to be completed. These assist in eliminating competing activities as well as create uniformity such that all functions in the organization are in the same page as to when the particular activity is to be enforced. The leaders are also tasked with communicating the activities and changes to lower level staff which is done through internal memo, routine meetings as well as attestations by staff of having understood the changes that are in place. Barclays being an international bank, its organization structure is characterized by complexity hence the communication is usually done by function heads to be cascaded to lower level of staff.

The leadership and direction provided by departmental managers was adequate. The organization has consistent meetings on different days based on the department level where they discuss any change within the organization. In Barclays bank the decision making is highlighted as a pyramid starting from the bottom being operational or functional level, business or administrative level then the strategic or corporate level. In
the corporate level we have the Top management BA6, BA7 and Senior Executive. In the Administrative level we have the middle managements who are the BA3, BA4 and the BA5. In the operational level is where we have the BA2 or supervisory staff.

The management team integrates the change to the lower level staff through the cascading to the various levels of management. Within the functions we have the function heads that use the team leaders to motivate the staff into accepting the change in the various departmental levels. The change has to be tailor made to suit the best interest of each team in the department. The management regularly streamlines the organization structure based on the strategies which are reviewed yearly. There is also clear understanding of the organization structure and design in the implementation process. The staff is clearly advised their reporting channels so that they are in a better position to make informed decisions as well as to allow clear flow of information from the top to the bottom of the pyramid.

The company organizes major launches when a significantly major strategy is being implemented like a new system or acquiring or merge with a new company. This is to ensure that all the staff is in the know. This major launches are followed through with internal communications through various venues like e-mails, memos or meetings within the functional departments. This is sent to all branches of the bank countrywide and the launch is also to accommodate all the branches.

The findings on organization design and structure reveal that the there is sufficiently ownership of strategy however the respondents feel that the people who came up with the strategy mostly leave the organization at the implementation stage. The research also determined that there is sufficient coordination by leadership to ensure that the strategy is well coordinated.

5.2.2 The effect of allocation of resources on strategy implementation
As per the questionnaire the study established that there was fairly sufficient distribution of resources. However, some of the respondents felt that the resources were not equitably distributed for the effective implementation of the strategy. Some departments lack staff to be able to sufficiently implement the change. The respondents also felt that though the employees were capable of handling the strategy implementation there is need of further and continuous training especially for new entrants. There needs to be a team on the
ground that constantly does refresher training for the sake of new and existing staff to ensure that the change is not only implemented but enforced.

There was also need for further definition of the key implementation tasks and activities so as to sufficiently divide the tasks. This will also assist to have tasks not colliding with each other. The respondents felt that the facilitators of the strategy did not follow through for feedback after its implementation. This is because once the strategy is implemented there is usually some lapses but there is no one to address these lapses. This leads to lack of ownership in some cases. The IT systems also need to be upgraded so as to sufficiently implement the organization’s strategy. This is because once the strategy is implemented there is congestion in the system which makes it slow.

There should also be proper mechanisms for measuring and rewarding the staff who have been involved in the implementation of strategy. This is evident by the feedback on the issue of advocates of the strategy who leave the organization during the implementation of the strategy. This would be due to lack of sufficient reward and recognition of the staff who participated in the reward process. The rewards would be in form of financial or non-financial rewards such as bonus, promotions or sponsored trips to other places for further training on the same. The findings also indicate that the information systems used to monitor the implementation process were inadequate. This is because the implementation was done in a test environment which was in a controlled environment but once the same is implemented to the organization there was a tendency of delays in the system. This would cause system downtimes in most parts of the organization. There needs to be sufficient IT teams monitoring the implementation process of the strategy.

From the findings it seems as there is lack of equitable spread of financial resources to properly implement the strategy. As much as most of the organizations are working towards minimizing their costs the same should be equitably spread through the entire organization. Time allocation seems to be well coordinated as most managers allow their teams to go for small sessions of training to enable the team to easily understand the strategy. There are also deadlines and targets provided by management on what is to be accomplished and by when so as to efficiently implement the strategy.
5.2.3 The effect of the business environment on implementation of strategy

The questionnaire also established that there were major problems that surfaced which had not been identified earlier. This was vastly caused by unanticipated system challenges. The respondents also felt that there was enough control by organization of external factors though there are issues beyond control like interest rates. There is also high tendency of advocates and supporters of the strategy leaving the organization during the implementation process. This in turn has caused some deviation from the original plan objectives.

From the findings the companies strength comes from the fact that the employees know the companies policy and regulations and abide by this. This helps the employees to manage their day to day work and changes in the business effectively. The company has strength in a well recognized brand which makes the employees want to identify with. Due to years of experience in the industry it has provided the means to lay out a good foundation for new and existing entrants. Though there is need for further training on staff after implementation of strategy. There are also opportunities for the bank as a trusted bank for many years they can effectively enter any financial market or service providers. The respondents tend to think that there is room for more growth as competition in the banking industry seems to be stiff. There is threat from not only the banking sector but the communication sector as well. This is because of products such as the MSHWARI and MPESA that seem to take over account operations in the banking sector. The weakness that the bank seems to have is that to implement a change seems to take a long time than other companies in the same sector. This is for the simple reason that the company requires higher levels of authorization to be able to implement the strategy and this causes delay in the same. By the time the change is updated it may be passed by time and events hence may not be applicable or meet the purpose intended.

The company is governed by UK laws as well as local government hence the need for sufficient abiding to the laws. The findings as per the study seem to indicate that despite this the staffs have a clear understanding of the organization structure and design especially during the implementation of strategy. The findings on the economic part that affect the implementation of strategy we find that most of these are regulated by a central board such as interest rates which are regulated by the Central Bank of Kenya (CBK). In the social aspect the company takes part in events to assist its community, such as
bursaries for school going children. These social factors assist the organization implement its strategy as the community would easily support the strategy if they see how it benefits them. As the organization is regulated by various financial authorities such as CBK, Kenya Bankers Association, it assists to avoid legal issues that may affect the organization. When implementing a strategy it is important to find out how the same affects the organization in the legal aspect as it may infringe on the rights of the consumer. The findings on this study indicate that the staff are required to attest that they are aware of the Consumers Right Act and abide by the same.

5.3 Conclusion

5.3.1 The effect of organisational design and structure on strategy implementation. The bank has a good organizational structure to be able to facilitate strategy implementation. This in turn enables the efficiency of communication from the top to lower level staff. As the tasks and activities are broken down to the staff and deadlines and targets are provided it assists to provide guidance to the staff and areas of lapses are easily managed. To avoid conflict of interest a designated champion is in place to spearhead the change that is being implemented. Regular updates are expected from these champions hence the staffs are always in the know of how far the strategy is in the implementation of the same. The findings also concluded that the organization has good years of experience in the implementation of strategy and the stakeholders have faith in the change the bank undertakes.

The major conclusion from the findings in the research is that there is need for empowering the supervisory staff so as to ensure that the lower staffs are onboard with the strategy as well as to retain the staff. This is drawn from the fact that they are the majority of staff and having them on board would make it easy for the organization to implement its strategy.

5.3.2 The effect of allocation of resources on strategy implementation
From the research findings the organization needs to allocate the resources equitably and efficiently to allow the easy implementation of strategy. The organization also needs to have a good reward and recognition system so as to retain the advocates of its strategy. The rewards may also motivate more staff to come up with more strategies and facilitate ownership of the same. There needs to be a way that the organization can track the
strategy implemented after the implementation phase to ensure that the same still works due to the dynamism of the business environment and competition in the industry.

The research also established that there is also need for robust upgrade of systems to avoid the downtimes during the implementation of strategy. This could be through buying new computers and installing better software that will complement the strategy.

Overall conclusion on the resource allocation is that though time is well managed during the implementation of strategy there is need for more focus on the reward and recognition of staff that ensured implementation of the strategy. There is also need of better tools for managing the change in terms of IT related equipments.

5.3.3 The effect of the business environment on implementation of strategy

The organization needs to have sustainable plans to manage competition which includes the new entrants and existing competition. This could be through revamping of the existing products or have new products in the market. Due to the loyalty of their customers and shareholders the company has had good revenues but there is still room for improvement. The communication of its strategies to its stakeholders has assisted the company to be able to go along way in the acceptance in the market. The dominance of the organization in the market is known as the competitors clearly recognize the organization as a brand that has been consistently performing well.

The organization has several branches countrywide which gives it a good opportunity to be able to reach out to many customers and provide seamless service as well as banking experience. Barclays bank is also internationally recognized as a financial service provider so foreigners who settle in the country easily fit in as their loyal customers.

5.4 Recommendations

5.4.1 Recommendations for the study

5.5.1.1 The effect of organisational design and structure on strategy implementation.
It is recommended that the organization continues to streamline the organization structure and design as per function so that the strategy can effectively be implemented. The lower and supervisory levels need to be sufficiently empowered so that they can assist to cascade the strategy downwards. There should be rewarding of the staff based on their contribution towards the implementation of strategies. This will encourage ownership of
the strategy as well as foster an environment that is conducive for change. The reward could be financial or in forms of promotions.

5.5.1.2 The effect of allocation of resources on strategy implementation.
Resources in terms of time, IT and employee should be equitably allocated to further enhance successful implementation of the strategy. Time should be allocated so that the organization does not waste time on one project. The systems should also be upgraded to suite the strategy being implemented. Employees should match the task being done to ensure that the task is completed on time. Due to high competition in the market advocates and supporters of the strategies are leaving the organization for greener pastures. It is important for the organization to find packages to retain the staff.

5.5.1.3 The effect of the business environment on implementation of strategy.
The organization should also manage their business environment factors by frequently having feedback from the community to see how best to serve them. It could also regulate their tariffs to suite the different communities groups. This could be achieved through community champions.

5.4.2 Recommendations for further studies
It is recommended that further studies be done on this study so that there are better comparisons on what other organizations do to effectively implement their strategies. Further studies can be done on Non Governmental Organizations, insurance firms and other organizations to compare the various levels of managements involved to effectively implementing strategy.
References:


Appendix 1: SURVEY QUESTIONNAIRE

Dear Respondent,

Attached is a questionnaire that seeks your views on factors affecting Strategy Implementation in Barclays Bank of Kenya. I would be grateful if you would complete the questionnaire as best and as honestly as you can. The information you give will be beneficial to assist in knowing the factors considered for strategy implementation in Barclays Bank of Kenya. Any information provided will be treated with utmost confidentiality and no single response will be reported on its own, but as a summation of all the responses. You will require an estimated time of about 6 -8 minutes to fill in the questionnaire.

Thanking you for your time

MBA
STUDENT

- USIU

SECTION I: Please respond to the questions below by ticking in the boxes provided or filling in the blank spaces provided.

1. Gender of Respondent: □ Male □ Female

2. Level in Organisation: □ Top Management (BA5 & above) □ Middle Management (BA3 & BA4) □ Supervisor Level (BA2)

3. Age: □ 20-30 □ 31-40 □ 41-50 □ 51 & over

4. Number of Years Work Experience

□ 1-5 □ 6-10 □ 11-15 □ 16-20 □ 21 & over

5. Have You participates in the implementation of strategy in the past five years: 

6. Which one of the following decisions has been executed recently?

1. ( ) Introduce a new product or service
2. ( ) Open and start up a new branch
3. ( ) Expand Operations to enter a new market
4. ( ) Discontinue a product or withdraw from a market
5. ( ) Acquire or merge with another company
6. ( ) Change the strategy in an operational department
7. ( ) Other (please specify) __________________

In the next sections you have been provided with five (5) choices from which to pick. These are:

‘strongly Disagree’ (1); ‘Disagree’ (2); ‘ Neutral’ (3); ‘ Agree’ (4); ‘Strongly Agree’ (5)

Please indicate your views about each of the following statements by placing a tick in one of the boxes that most closely matches your opinion.

<table>
<thead>
<tr>
<th>Policy support</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Took more time than Originally allocated</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>2. Major problems surfaced which had not been identified earlier.</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>3. Coordination was not Sufficiently effective</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>4. Competing activities distracted Attention from implementing this decision</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>5. Leadership and direction provided by departmental managers were inadequate.</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>6. Lack of understanding the organization structure and design in the implementation process</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>7. Capabilities of employees involved were insufficient</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>8. Training and instruction given to lower level employees were inadequate</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>9. Uncontrollable factors in the external environment had an adverse impact on implementation</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>10. Key implementation tasks and activities were not sufficiently defined</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>11. Information systems used to monitor implementation were inadequate</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
</tbody>
</table>
12. Advocates and supporters of the strategic left the organization during implementation.

13. Overall goals were not sufficiently well understood by employees

14. Changes in responsibilities of key employees were not clearly defined

15. Key formulators of the strategic decision did not play an active role in implementation

16. Problems requiring top management involvement were not communicated early enough.

17. Deviation from original plan objectives

18. People are not measured or rewarded for executing the plan

19. Lack of feelings of "ownership" of a strategy or execution plans among key employees

20. Insufficient financial resources to execute the strategy.

= END =

Thank you for your time and corporation
### Appendix 2: Schedule of Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing the questionnaires</td>
<td>1 day</td>
</tr>
<tr>
<td>Issuing the questionnaires to the respondents</td>
<td>1 day</td>
</tr>
<tr>
<td>Filling in the questionnaire by respondents</td>
<td>1 week</td>
</tr>
<tr>
<td>Collection of the questionnaires</td>
<td>3 days</td>
</tr>
<tr>
<td>Editing, coding, entering and cleaning process</td>
<td>1 week</td>
</tr>
<tr>
<td>Analysis, presentation and interpretation of data</td>
<td>1 week</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4 weeks</strong></td>
</tr>
</tbody>
</table>
Appendix 3: Budget

<table>
<thead>
<tr>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing the questionnaires</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Binding</td>
<td>300.00</td>
</tr>
<tr>
<td>Miscellaneous( phone calls reminders, text messages)</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,400.00</strong></td>
</tr>
</tbody>
</table>