FACTORS INFLUENCING THE IMPLEMENTATION OF STRATEGIC PLANS IN ORGANIZATIONS - A CASE STUDY OF TELKOM KENYA LIMITED

BY
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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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A Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SPRING 2016
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 - Africa in Nairobi for academic credit.

Signed: ___________________________ Date: ___________________________
Mburu Edith Wairimu (ID: 640883)

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

Signed: ___________________________ Date: ___________________________
Dr. Juliana M. Namada

Signed: ___________________________ Date: ___________________________
Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to investigate the factors influencing effective implementation of strategic plans in organizations for the case of Telkom Kenya Limited. The research was guided by the following research questions: How has the company’s organizational structure affected strategy implementation? How has the company’s organizational culture affected strategy implementation? How has the company’s innovation affected strategy implementation?

The study applied the descriptive research design. The target population of the study was the top and middle level managers of Telkom Kenya Limited. Stratified random sampling technique was used to select the intended sample size from both groups. Data was collected through a questionnaire. Questionnaires were distributed to the different respondents by hand and through electronic mail and thereafter collected after submission. The demographic data was tabulated using frequency and percentages. Pearson’s correlation was used to describe the data. The sampled data was then presented in form of tables based on the research questions by the use of Statistical Product and Services Solutions (SPSS).

The study showed that, structural stability provides the capacity that an organization requires to consistently manage its daily work routines. It revealed that most organizations have recently adopted a network structure which involves outsourcing functional activities; that a functional structure allows for strong task focus through specialization; and that strategic business units need to be centralized at the corporate office. In addition, the study established that culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values; that trust and communication contribute to more productive outcomes; and that a system of shared meaning is a critical variable for effective strategy process. The study further revealed that the skills acquired contribute to creation of new ideas and firms with scarce but important capabilities profit the most from innovation activities; that managers risk investing enormous resources in the formulation of innovative strategies without sufficient return; and that employees are trained to use the available technology and resources to facilitate in the creation of innovative solutions.
From the study it can be concluded that, organizational structure is paramount to strategy implementation. Key factors of organizational structure lies on organizational design and the process of selecting the right combination of organizational structure. It can also be concluded that, organizational culture is the backbone of how the organizational factors operate within and outside the organization. It gives the organization a foundation of how it interacts with itself and with other stakeholders and may lead to the growth or downfall of the organization. The study further concludes that strategic innovation is key to a company’s growth and highlights that change management is a key driver for effective strategy implementation.

This study recommends that Telkom Kenya Limited needs to monitor and oversee its organizational design process to achieve superior performance and overall profitability. In addition, it emphasizes on the need for policy makers and managers pay attention to organization culture and streamline it to fit the company goals that should be driven towards implementation of strategic plans. The study further recommends that Telkom Kenya adopts change management that will facilitate its ability to become a learning institution that quickly implements innovation in its system.
ACKNOWLEDGEMENT

First the acknowledgement goes to the Almighty God for making it possible for me to undertake this course and finish my thesis. I acknowledge Dr. Juliana Namada for supervising my research. My family, I am grateful for your encouragement and finally I thank all my colleagues and respondents for taking time to fill in the questionnaires. May the Almighty bless you all.
DEDICATION

This project is dedicated to my parents Mr. Paul Mburu and Mrs Agnes Mburu (the late) and to my sister Racheal Mburu. To the Carrier Services Department at Telkom Kenya Ltd. Thank you all for your love, patience and support.
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<table>
<thead>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CCK:</td>
<td>Communications Commission of Kenya</td>
</tr>
<tr>
<td>HQ:</td>
<td>Headquarters</td>
</tr>
<tr>
<td>ISP:</td>
<td>Internet Service Provider</td>
</tr>
<tr>
<td>IT:</td>
<td>Information Technology</td>
</tr>
<tr>
<td>KPTC:</td>
<td>Kenya Posts and Telecommunications Corporation</td>
</tr>
<tr>
<td>POSTA:</td>
<td>Postal Corporation of Kenya</td>
</tr>
<tr>
<td>PSTN:</td>
<td>Public Switched Telephone Network</td>
</tr>
<tr>
<td>R&amp;D:</td>
<td>Research and Development</td>
</tr>
<tr>
<td>SA:</td>
<td>South Africa</td>
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<td>SPSS:</td>
<td>Statistical Package for Social Science</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Strategy implementation is the action that moves the organization along its choice of route towards its goal – the fulfilment of its mission, the achievement of its vision. It is the realization of intentions (MacLennan, 2012). While many people believe that formulating an innovative and unique strategy is critical and by itself sufficient to lead a firm to success in today’s business world, ensuring that such a strategy works is equally as important. Considering the higher failure rates in implementation of strategies, more attention should be given by executives to implementing the strategy. Several reasons are frequently offered for the failure of implementing strategy. Factors that affect strategy implementation can be categorized as leadership style, information availability and accuracy, uncertainty, organizational structure, organizational culture, human resources, and technology. Although most authors agree that these factors affect strategy implementation, each factor’s impact is at a different level and carries a different force (Rajasekar, 2014).

Hrebinak (2013), states that there are tremendous obstacles to effective strategy execution or implementation. Some of the obstacles arise from the conditions or demands of the execution process, including: 1) the need to get many more people involved in execution than were involved in planning; 2) the longer time frames associated with the process of strategy implementation and the resultant probability that competitive forces or conditions will change over time and 3) the existence of many factors or variables that can affect execution results or success, and the need to handle them effectively to achieve desires outcomes. Strategy implementation has been ranked high on top managers’ agenda and at the same time, there is increased awareness that developing strategy implementation capabilities is an important driver for competitive advantage (Verweire, 2014).

Firms seem to experience significant problems with translating strategy into concrete activities and results. Formulating a consistent strategy is difficult for any management team, but making strategy work (implementing it) throughout the organization is even more difficult (Verweire, 2014). Zagotta and Robinson (2002) identified a number of factors which
need to be considered in seeking to ensure that a selected strategy is effectively implemented. In their view, the start point should be that the strategy and proposed actions to be implemented are understood by all employees at all levels within the organization. To help employees fulfil their assigned tasks, performance indicators should be made available which provide early warning metrics when strategic aims are not being met. This permits employees to take appropriate action to resolve problems before they are unmanageable.

Many managers feel confident that they have found the right strategy to provide a competitive advantage, but they are less optimistic about their ability to implement it. Managers need to adopt a global mindset and be aware of varying implementation issues. Flexibility and openness emerge as mandatory leadership skills. They also have to maintain a cohesive corporate culture that supports strategy – to develop a culture that is oriented towards performance. A final concern for managers implementing strategic plans especially during turbulent times is to incorporate innovation, for example internet and other information technology (Daft, 2010).

Strategy implementation is a connecting loop between formulation and control. Implementation requires administrative and managerial talent and an ability to foresee obstacles that arise in strategy implementation (Rajasekar, 2014). Good implementation naturally starts with good strategic input: the soup is only as good as the ingredients. If we assume the management team has done a reasonable and thorough job formulating strategy, the critical output from the annual strategy session is a transcript capturing a draft vision statement, a set of broad strategies and preliminary performance measures (Allio, 2005).

The most important thing when implementing a strategy is the top management’s commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Raps, 2005). Speculand (2014), provides five recommendations for leaders so as to conduct successful strategy implementation: 1) Focus on both crafting and implementation strategy; 2) oversee
and stay committed to the implementation; 3) Adapt and amend the strategy and implementation as required; 4) Create right conditions for the implementation and 5) Follow up to achieve a successful implementation.

Effective strategy is facilitated through action planning, coordination and systems alignment. Action planning entails assigning responsibilities, indicating timelines, determining expected output and estimating resource requirements which all have to be well coordinated (Ogbeide & Harrington, 2011). Strategy implementation enables firms to develop dynamic capabilities used in coordination and integration. Firms operate as open systems by engaging in continuous interactions with the environment for survival and sustainability. They use specific capabilities through learning and strategy implementation to transform resources from the environment into outputs (Bustinza, Molina, & Aranda, 2010).

Strategic success is dependent upon employees having the skills and knowledge necessary to fulfill their assigned responsibilities. Management should attempt to ensure employees are provided with access to the knowledge and resources to achieve alignment between their assigned roles and the strategy implementation. The critical aim is to create a ‘virtuous circle’ between strategy and strategy implementation. This involves ensuring that during the implementation phase regular reviews are undertaken which incorporate inputs concerning internal issues and external issues (Chaston, 2012). In general, strategy implementation encompasses activities and choices required for the execution of a strategy (Kazmi, 2008).

Telkom Kenya Limited is a provider of integrated telecommunications solutions in Kenya, with the widest range of voice and data services as well as network facilities for residential and business customers. It was previously part of Kenya Posts and Telecommunications Corporation (KPTC) which was the sole provider of both postal and telecommunication services. In 1999, KPTC was split into three: Communications Commission of Kenya (CCK); Postal Corporation of Kenya (POSTA) and Telkom Kenya (Havas, 2011).

Telkom Kenya was established as a telecommunications operator under the Companies Act in April 1999. The company operates and maintains the infrastructure over which Kenya’s
various internet service providers (ISP) operate. As of 2004, most internet service was provided via dial-up service. Dial-up Internet access is a form of Internet access that uses the facilities of the public switched telephone network (PSTN) to establish a dialed connection to an Internet service provider via telephone lines. Jambonet, an important Kenyan ISP, is a subsidiary of Telkom Kenya.

In 2007 France Telecom (now Orange South Africa [S.A]) acquired 51% of Telkom Kenya's shares. According to an Inheritance Tax Report, France Télécom and the Kenyan government would bring 11 and 19 percent of their respective shareholdings on the market within three years of the deal's completion. Telkom Kenya’s partnership with France Telecom saw the launch of the Orange brand in Kenya in 2008. In November 2012, the shareholding structure changed due to a decision by the Kenyan government to convert its shareholder into equity in order to ease Telkom Kenya's debt burden. It was subsequently confirmed that the Kenya government would retain 40% shareholding down from 49% with the remaining shares held by France Telecom. In January 2013, France Télécom increased its stake in Telkom Kenya to 70% as a consequence of the government not having provided its full portion of 2012 funding.

Orange is one of the world’s leading telecommunication operators with sales of 43.5 billion Euros in 2012 and has 166,000 employees worldwide as at 30 September 2013, including 102,000 employees in France. Present in 32 countries, the Orange Group has a total customer base of more than 232 million customers as at 30 September 2013, including 175 million mobile customers and 15 million fixed broadband customers worldwide. Orange is also a leading provider of global information and technology (IT) and telecommunication services to multinational companies, under the brand Orange Business Services (Orange, 2015).

1.2 Statement of the Problem
A company’s ability to implement its strategy successfully is a result of its ability to overcome obstacles leading to poor strategy implementation (Pella et al., 2013). Although formulating a consistent strategy is a difficult task for any management team, making that strategy work – implementing it throughout the organization – is even more difficult
(Hrebiniak, 2013). A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. Unlike strategy formulation, strategy implementation is often seen as something craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999). It is thus not surprising that after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. Laan and Yap (2011) in their book mention that statistics of strategy implementation failures or implementations not reaching potential of their business cases do exceed 70%.

Fewer researches have focused on factors affecting strategic plan implementation like Rajasekar (2014), who focused on factors affecting effective strategy implementation in a service industry. One important conclusion of this study was that strategy implementation cannot be studied in isolation from the country, industry, or organizational culture and environment. Speculand (2014), addressed bridging the strategy implementation skills gap and his findings reflected that leaders need both the ability to craft the right strategy and skills to implement it. Other researchers such as Teressa, Kenneth and Mwamisha (2013), focused on factors affecting effective implementation of strategic plans in non-governmental organizations in Kenya. Maxwell, Kepha and Joseph (2013) focused on the factors affecting effective strategy implementation for the attainment of Millenium Development Goal 5 by international reproductive health non-governmental organizations in Kenya. Messah and Paul (2011) researched on factors affecting implementation of strategic plans in government tertiary institutions.

The study sought to explore how Telkom Kenya Limited was coping with the mandate to develop and implement strategic plans and related performance measures. In addition, investigating the disconnect that existed between the strategic intent of Telkom Kenya and the translation of the intent into actions that would promote and bolster the successful implementation of the company’s strategies.
1.3 Purpose of the Study
The purpose of this study was to investigate factors influencing the implementation of strategic plans in Telkom Kenya Limited.

1.4 Research Questions
1.4.1 How does organization structure affect strategy implementation in Telkom Kenya Limited?
1.4.2 How does organizational culture affect strategy implementation in Telkom Kenya Limited?
1.4.3 How does innovation affect strategy implementation in Telkom Kenya Limited?

1.5 Significance of the Study
1.5.1 Management in Telkom Kenya Limited
Managers are all involved in strategic planning and management and they are finding ways to respond to competitors, cope with difficult environmental changes, meet changing customer needs, and effectively use available resources. In for-profit firms, strategic planning typically pertains to competitive actions in the marketplace. Research has shown that strategic thinking and planning positively affect a firm’s performance and financial success and most managers are aware of its importance (Daft, 2010). This study has shown how various factors affect Telkom Kenya Limited and has offered recommendations that the managers may apply to improve on the organization’s strategic implementation.

1.5.2 Non-Managerial Staff in Telkom Kenya Limited
It is possible that the time and cost of preparing strategic planning documentation can be reduced by getting more staff involved both in the planning and in the implementation process. This can be done by having a well-structured scheme that allows a plan to be constructed piece by piece using whichever is the correct and relevant expertise in the organization. This has added benefit that when the staff of an organization feel they are part of the planning process required to achieve the organization’s, they are better able to deliver on the essential actions required to implement those objectives (Mckee, 2013). This study has shown the importance of all organs working towards the achievement of set goals and thus
may show staff members their importance in strategic planning, thus increasing their activeness.

1.5.3 Government
This study serves as a rich source of information to policy makers, especially the government of Kenya. Non-profit and government leaders are often hesitant to implement changes to programs and operations that disrupt the status quo, even when things are not going well for the organization (Jones, 2014). This study may enable the government to appreciate that after a business plan is developed and implementation starts, progress can be achieved only through the perseverance and staying power of those committed to adopting change or a new way of doing business by understanding that the process of monitoring performance, evaluating progress, and mentoring strategy implementation teams is integral to successful goal achievement (Kessler & Kelley, 2000).

1.5.4 Researchers and Academicians
Future scholars and researchers may be able to utilize this research as reference to empower them come up with new aspects that they can research on. This may be used as a deliberate source which involves a deliberate attempt to preserve evidence for the future, possibly to ensure that someone is not blamed for events or actions at the time or for reputation enhancement (Bell & Waters, 2014).

1.6 Scope of the Study
The research focused on Telkom Kenya Limited which had a population of three hundred and fifty employees in the managerial levels. An adequate sample was selected from the population in the managerial levels to ensure that the information acquired was not biased as well as a few team leaders from various departments. Part of the information provided was confidential but discretion was adhered to by assuring the respondents that the information was only used for research purposes. Questionnaires were part of the research tools used for this study to gather information. A major limitation was the willingness of respondents to take part in the study and as mitigation, confidentiality and anonymity was assured and this
encouraged their participation. The study was conducted between November 2015 and May 2016.

1.7 Definitions of Terms
1.7.1 Strategy
Strategy is a coordinated set of actions that fulfill a firm’s objectives, purposes and goals (White & Bruton, 2011).

1.7.2 Strategy Implementation
Strategy Implementation refers to the way a company structures itself in order to execute its strategic plan efficiently and achieve its objectives (Alkhafaji, 2013).

1.7.3 Organization Structure
Organization structure is the system of task, reporting, and authority relationships within which the work of the organization is done (Griffin & Moorhead, 2010).

1.7.4 Organization Culture
Organizational culture is set of beliefs, values and a learned manner of management, which is reflected in the structure, system and approach to the development of the corporate strategy (Markovic, 2012).

1.7.5 Innovation
This is the focus on the development and successive refinement of inventions into usable products or techniques that are deemed worthy of being launched in a market or used internally within an organization (Vyas, 2015).

1.8 Chapter Summary
This first chapter has outlined the background and statement of the problem. It has provided a clear and brief statement representing the purpose of the study and stated the objectives of the study in research questions format that guided the study. The significance and scope of study have also been described in this chapter as well as key terms that have been applied
and their definitions. The second chapter outlines the literature review in which information established in literature related to the purpose of study was evaluated. The third chapter of this research outlined the research methodology. This chapter portrayed the design adopted by this study to achieve the objectives and has a direct impact on the findings of this research. Chapter four presented the results and findings of the study while chapter five concluded the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter outlines a review of literature based on the factors influencing implementation of strategic plans in organizations. It is structured according to the research questions (specific objectives) outlined in chapter one to ensure relevance of the research problem. The first research question to be addressed will be how the company’s organization structure has affected strategy implementation. Secondly, how the company’s organization culture has influenced strategy implementation and thirdly how innovation has impacted the implementation of strategic plans in Telkom Kenya.

2.2 Organizational Structure and Strategy Implementation
Organizations exist to achieve goals. These goals are broken down into tasks as the basis for jobs. Jobs are grouped into departments. Departments in organizations maybe characterized by marketing, sales, advertising, manufacturing, and so on. Within each department, even more distinctions can be found between the jobs people perform. Departments are linked to form the organizational structure. The organization’s structure gives it the form to fulfill its function in the environment (Nelson & Quick, 2011). Structure defines how parts of an organization fit together, as evident from an organizational chart (Griffin & Moorhead, 2010).

Once strategy has been determined, it is the job of the general manager to ensure that the strategy is embodied in all that his or her organization does. Simply put the major task of implementing strategy is to create a fit between the company’s goals and its other activities. Generally, two types of fit need to be created: 1) fit between the strategy and functional policies; 2) fit between the strategy and the organizational structure, processes and systems (Nag, 2011).

Implementing a company’s business model and strategies successfully depends upon organizational design, the process of selecting the right combination of organizational structure, control systems, and culture. Companies must monitor and oversee the
organizational design process to achieve superior profitability (Hill & Jones, 2013). Organization structure consists of four elements: the assignment of tasks and responsibilities that define the job of individuals and units; the clustering of individual positions into units and of units into departments and larger units to form an organization’s hierarchy; the various mechanisms required to facilitate vertical coordination, such as the number of individuals reporting to any given managerial position and the degree of delegation of authority; the various mechanisms needed to foster horizontal coordination, such as task forces and interdepartmental teams (Aquinas, 2008).

Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership (Rajasekar, 2014). Each organization differs along a number of dimensions: size, performance, goals, leadership, professionalism, culture, identity, and formal structure. Structure is not necessarily any more or less important than the other components of an organization, but it is important nonetheless. Organizational reformers in both the public and private sectors continually recommend new strategies for restructuring organizations (Maguire, 2003).

Strategy Implementation is accomplished through organizational design and structure. This implies that it is the way the company chooses to create its arrangements and design that will help it to achieve the formulated strategy. Organizational design deals with the selection of organizational structures and control systems that will assure the application of the company’s strategy effectively and create or sustain its competitive advantage. The organization should adopt a combination of structure and control systems that improve quality, create value, reduce cost, and improve communication (Chitale, Mohanty & Dubey, 2013). Bimani and Longfield-Smith (2007) focused their study on how organizational structure influences strategy implementation and found the process of strategy implementation to be structured and formal.

Hrebiak (2013) states that poor or inadequate information sharing, unclear responsibility and accountability, and working against the organizational power structure – all part of
organizational structure – results in failed implementation process. The main issues in designing organizational structure are how to group tasks, functions, and divisions; how to allocate authority and responsibility (whether to have a tall or flat organization or to have a centralized structure); and how to use integrated mechanisms to improve coordination between functions such as direct contacts, liaison roles, and teams (Nelson & Quick, 2011).

In practice however, implementing strategy through structure is difficult, challenging, and never-ending task. Managers cannot create an organization framework for a company’s value chain activities and assume it will keep on working efficiently and effectively over time – just as they cannot select strategies and assume that these strategies will still be effective in the future – in a changing competitive environment (Hill & Jones, 2013).

According to Gupta (2009), successful implementation of strategy depends partly on the organization’s structure. An organization’s structure is a means to help management achieve its objectives. Since objectives are derived from the organization’s overall strategy, it is only logical that the two must be linked. In other words, structure should follow strategy. This implies that the structure should change with change in organizational strategy. Markiewicz’s (2011) study also reflected the importance of processes and structures in the successful implementation of strategies and proposed that creativity, innovation, and perception of an organization as processes are very important in implementing strategies.

Effective structures provide the stability a firm needs to successfully implement its strategies and maintain its current competitive advantages while simultaneously providing the flexibility to develop advantages it will need in the future. Structural stability provides the capacity the firm requires to consistently and predictably manage its daily work routines while structural flexibility provides the opportunity to explore competitive possibilities and then allocate resources to activities that will shape the competitive advantages the firm will need to be successful in the future (Hitt, Ireland, & Hoskisson, 2013). Spulber (2009) stated that one of the most essential components in the management of strategy implementation is to design an organizational structure that is in line with the global strategy of the company.
2.2.1 Types of Organizational Structure

The vertically integrated functional organization (F-form) grew prominent in the late nineteenth and early twentieth centuries, when firms’ competitive advantages were based largely on high volume standardization, low costs, and a production orientation. The multidivisional organizational structure (M-form) rapidly came to replace the F-form for example, in some firms, the increased size and a widening product range strained the functional structure and overloaded top management. The M-form allowed firms to be more market-and product-oriented, which made it much better suited to a business environment characterized by rapidly changing customer preferences. In the 1960s and 1970s, the matrix organization, with its emphasis on lateral relationships and dual lines of responsibility and authority, became popular among diversified firms however this structure was not a particularly successful innovation and most companies such as Dow Chemical, eventually returned to a more conventional structure, with clear lines of responsibility for geographic managers (Furrer, 2011).

Functional organizational structure involves structuring an organization around basic business functions such as production and operations, marketing, and finance. It is mainly used by small to medium-sized businesses and other companies and is relatively straightforward. A corporation with a divisional organizational structure (strategic business units) has various company divisions operating autonomously as businesses under a broad corporate framework. Companies with various distinct products might establish a divisional organizational structure whereby the manufacture and sale of each product is more or less conducted by a separate company under a broad corporate umbrella, for example Coca Cola. As these divisions are centralized at the corporate office, this office serves largely as a capital allocation and control mechanism. The matrix organizational structure involve employees reporting to multiple managers in team project situations. Many companies today are adopting the network organizational structure where the organization contracts out most functions except administration (Gasper et al., 2010).
2.2.2 Role of Organizational Structure in Organizations

Zaribaf and Bayrami (2010) revealed that strategy is formulated by top management exclusively and middle-level managers only implement the strategy unless a wide range of changes is required before implementation thus implying structure alignment with strategy. Organizational structure can be managed and changed through the process of organization design. Organization design is the process by which managers select and manage elements of structure so that an organization can control the activities necessary to achieve its goals. Organization structure is the tool the manager uses to achieve its goals (Chitale, Mohanty, & Dubey, 2013).

According to Kumar and Meenakshi (2009), organization structure supports effective controls. Accountability for performance is important in decentralized organizations. It is important to ensure that every unit has appropriate control over its performance. It is important to focus on units with shared responsibilities since business units and corporate departments keep blaming each other for performance problems. It is also necessary to focus on units whose performances are difficult to measure. Organization structure should acknowledge the problem of blurred responsibilities and fuzzy measures. Clear performance measures should be developed and greater clarity should be provided for overlapping responsibilities. According to Rajasekar (2014), the organizational structure provides a visual explanation of two main things: the decision-making process and resource allocation.

The structure of an organization also affects the ability of workers to learn, to innovate, and to participate in decision making. From a worker’s perspective, different structural configurations affect not only productivity and economic results, defined by the market place, but also the job satisfaction, commitment, motivation, and perceptions about expectations and obligations. Redesigning organizational structure, therefore, will affect the intangible “psychological contract” of each individual worker (Mills et al., 2007). Unclear organizational structure makes employees confused and frustrated, and impedes successful strategy implementation (Pella et al., 2013).
Chitale, Mohanty and Dubey (2013), state that, organization structure also enables organizations to gain competitive advantage. The way the organization designs its structure is an important determinant. How much value the organization creates depends on organization design, because it is the means of implementing an organization’s strategy. Many sources of competitive advantage, such as skills in research and development that result in novel product features or state-of-the-art technology, quickly disappear because they are relatively easy for competitors to copy. It is much more difficult to imitate good organizational design that brings into being a successful organizational structure. Okumus’ (2003) framework argued that organizational structure plays a role as a connecting factor between external environment context and internal organizational process in ensuring company achievement of strategic outcomes.

2.3 Organizational Culture and Strategy Implementation

Every organization has a distinctive style of addressing issues and this distinctiveness is shaped by organizational culture (Vijayakumar & Padma, 2014). Culture is manifested almost everywhere in an organization, if we know where to look for it. It is reflected in the words and language people use in communicating with one another. It is also manifested in the artifacts that are in (and on display in) the company’s facilities. Sometimes, the culture of a company is obvious and clearly visible, as in the treatment we receive as customers and the artifacts we see that support this focus on customer service. Sometimes, a company’s culture is subtler and needs to be ‘read’ (Flamholtz & Randle, 2011).

Schein (2010), states that culture is an abstraction, yet the forces that are created in social and organizational situations deriving from culture are powerful. If individuals do not understand the operation of these forces, they become victim to them. Cultural forces are powerful because they operate outside individuals’ awareness. He further categorizes organizational culture into three levels: (1) Artifacts which include visible and feeble structures and processes, and observed behavior which is difficult to decipher; (2) Espoused beliefs and values which include ideas, goals, values, aspirations, ideologies and rationalizations; (3) Basic underlying assumptions such as unconscious, taken-for-granted beliefs and values.
Many researchers have proposed a variety of dimensions and attributes of organizational culture. Among them, Hofstede has been very influential in studies of organizational culture. Drawing on a large sample of 116,000 employees of IBM in 72 countries, Hofstede identified four dimensions of culture. These four dimensions used to differentiate between cultures are: power distance, uncertainty avoidance, masculinity/femininity and individualism/collectivism (Acar, 2007). Ito et al. (2010), state that the four dimensions are not personality traits but, societal patterns. They are no more than abstractions that capture main behavioral trends which also influence organizational behavior.

Saunders et al. (2008) inferred that implementing new strategy requires making changes in taken-for-granted assumptions and routines that are elements of culture. Organizational culture underpins success in implementation. An initiative that matches the culture of an organization can ensure a rapid and successful implementation. According to Katsioloudes (2012), culture of an organization is largely about the way things are done and get done. The relationship to strategy implementation is that, individuals think it is, fairly easy to grasp. If the organization’s strategic direction is one that is rather longstanding and successful, odds are that the culture that has evolved is appropriate to the organization’s needs. It may not necessarily be the ideal culture, but at least it would seem to have satisfied its strategic purpose.

The reason why culture was ignored for so long by managers and scholars as an important factor in accounting for organizational performance is that it encompasses the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization. It represents 'how things are around here’. It reflects the prevailing ideology that people carry inside their heads. It conveys a sense of identity to employees, provides unwritten and often unspoken guidelines of how to get along in the organization, and it helps stabilize the social system that they experience (Cameron & Quinn, 2011). Culture created the context for social interaction that ultimately determines how effective an organization can be at creating, sharing and applying knowledge (Lee & Chen, 2005).
Carlopio and Harvey (2012) focused on social-psychological principles and their influence in successful strategy implementation and found that if an organization’s structure and culture are not aligned with a proposed strategy and the new behaviors required, the strategy implementation process will certainly be defeated. In a study involving Latin American firms, Brenes and Mena (2008) concluded that organizational culture supportive of principles and values in the new strategy resulted in successful strategy implementation in the sampled firms. They also revealed that 86% of the most successful companies see culture aligned to strategy as highly significant, against only 55% of less successful companies.

Culture determines output of the organization more than any other factor including education and skill of people working in the organization. It is because of this factor that organizational culture must be considered in any effort toward strategic planning. Strategic planning for a particular organizational culture is possible only if the future direction is either consistent with that culture and the direction it is heading, or the culture feels such pressure on its possible continuation that it is willing to break its past in order to have a future at all (Hunt et al., 2013).

A stable organizational culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success (Neuert, 2014). As a system of shared meaning, it is a critical variable for effective strategy process. Hofstede concluded that organizational culture is a soft, holistic concept with, however, presumed hard consequences. An organization’s collective culture influences both the attitudes and subsequent behaviors of its employees as well as the level of performance the organization achieves (Neuert, 2014). Organization culture can also use communication as a strategy in that: strategy implementation should first upgrade communication to a strategic level, communication manager needs to get strong support from the top management of the company, and communication development and execution are done at strategic level (Shin, 2013).
2.3.1 Types of Organizational Culture

According to Markovic (2012), managing an organization characterized by different cultures is not simple. Managers are expected to recognize the different cultures and to delineate their use in certain parts of the organization and improve them or change them completely, in accordance with achieved results. Ahmadi et al. (2012) studied the impact of organizational culture while implementing strategies in Iranian banks and concluded that a meaningful relationship exists between organizational culture and strategy implementation. Results of their study showed that all types of organizational cultures have significant relationships with the implementation process, but the extent of the culture’s influence varies from the most effective (clan culture) to the least effective (hierarchy culture).

Clan type culture can be defined simply as a “family-type organization”. This type of culture incorporates a sense of “we” in the organization instead of “I” (Teson & Pizam, 2013). They are most effective in domains of performance relating to morale, satisfaction, internal communication, and supportiveness. All these attributes are consistent with clan values. They are good at organizing, controlling, monitoring, administering, coordinating and maintaining efficiency (Mayfield, 2008). Adhocracy-type culture is most effective in domains of performance relating to adaptation, system openness, innovation and cutting-edge knowledge – all attributes consistent with adhocracy values. Market-type culture is most effective in domains of performance relating to the organization’s ability acquire the needed resources such as revenues, good faculty and institutional visibility (Cameron & Quinn, 2011). Hierarchy culture is defined as a culture high on rules and regulations, distinct lines of communication and accountability. Maintaining tight and smooth operations are important in this type of culture (Teson & Pizam, 2013). In hierarchy culture, managers move up the rank quickly when their leadership style is in agreement with the upper management (Mayfield, 2008).

Each of these different organizational cultures affects the organization differently. It is for this reason that a large number of companies combine several types of organizational cultures in order to achieve the best performance. Most organizations believe that two or more balanced cultures are most appropriate solution for their company. Although different
organizational cultures can be successful, none of them is optimal (Markovic, 2012). In a large and diverse organization, culture can become fairly complex and can spawn many subcultures as there are distinct groups of employees with similar understanding and interest (Vijayakumar & Padma, 2014).

2.3.2 Role of Organization Culture in Organizations

Culture can be thought of as an element of organizational strategy. As such it is a stealth weapon. Its returns on investment – resulting from such things as employee loyalty and organizational continuity, service to those outside the organization, increased productivity, and a selfless mentality toward others in the organization – can be impressive. It can help establish expectations, foster trust, facilitate communications, and reduce uncertainty in relationships between human beings. In so doing, it can contribute to more productive outcomes (Heskett, 2012). Organization culture is viewed traditionally as an attribute of the company, but not as an important strategic resource; this is due to the fact that it is questionable whether and how culture influences performance (Miroshnik, 2013).

Markovic (2012), states that there are four major functions of organizational culture: (1) Grants identity to the employees in the organization; (2) Defines the employees’ behavior and helps them understand and adapt to their work environment better; (3) Promotes social stability system and defines strict standards; (4) Encourage the employees to work hard and identify personal interest with the interests of the organization. The organizational culture provides information about the internal environment and mentality, which is reflected in the level of openness, customer orientation, quality of work, and speed of accomplishing tasks and responding to changes (Rajasekar, 2014).

In addition, organizational culture is an important resource of a multinational company because organizational culture is unique and hard to imitate and may influence the overall performance of the company. The transmission of organizational culture from the parent operation headquarters (HQ) to the subsidiaries appears to be the central mechanism for managing overseas subsidiaries (Baus, 2010). In this regard, the task of management in the preparation of a strategy will be to give rise to a culture that provides creation, dissemination
and use of knowledge as being a normal function within the organization (Zyngier, Burstein, & McKay, 2006).

### 2.4 Strategic Innovation and Strategy Implementation

Strategic innovation involves the implementation of new organizational methods in the firm’s business practices, workplace organization or external relations (OECD, 2010). Firms with scarce and important complementary capabilities are often the ones that profit the most from innovation activities, whether they moved first in performing the innovation activities or were followers. Having important scarce complementary capabilities is one of the hallmarks of exploiters (Afuah, 2014).

Jacobs (2014) recognized three important subroutines of successful innovation: the strategic and implementation subroutine and the feedback or learning subroutine. In order to have a successful innovation routine, all of these have to be present and related to one another. In most approaches to innovation, the organization’s strategy provides no more than the general framework. However, in order to realize repeated successful innovation, there has to be a direct link between innovation and strategy. Innovation is then necessary to realize the strategic objectives of the organization. Information systems support the decision making process through the quality and quantity of information available for executives to use in decision making (Rajasekar, 2014).

Comparison between traditional information and innovation information, reveals that traditional information is relevant to known facts while innovation information is concerned with future innovation outcomes (Fawzy, 2014). While innovation is defined as the commercial exploitation of a new idea or invention, the process of innovation refers to the temporal sequence of events that occur as people interact with others to develop and implement their innovation ideas within an institutional context (Herzog, 2011).

Innovation begins with signs of changes in the organizational environment. The major challenges faced by institutions are related to the comprehension of the factors that are behind them and the development of appropriate response strategies. The selection and
adoption of innovation is a fundamental process of strategy implementation. The continued growth of the importance of innovation is also related with capacity to make changes in competitive position of firms. Thus innovation and strategy implementation are complementary and feed on each other (Kelchetermans & Beule, 2013).

Innovations must be speeded up continuously in order to obtain more profit from the investment and to achieve more benefit from a fast product introduction thereby increasing competitive advantage. To achieve this goal, it is necessary that agreement should be realized on desired results and the expected benefits. The methods and the opportunities of achieving this goal should be clear in advance to all those involved. Although every innovation is different, the rules and processes should be similar for every innovation within the company. Aiming at a moving target will cause higher costs, will delay the process and will lower the quality of the result (Cordia, 2012). Greater innovation can occur within acceptable levels of risk. Risk management should always be built into the innovative process (Weiss & Legrand, 2011).

White and Bruton (2011), contend to the fact that a central element in the implementation of an innovation strategy is prioritizing the actions necessary to carry out the strategy. The organization will establish its goals and objectives in its planning process. However, these goals and objectives are not all equal and the manager should prioritize them during the planning process. Prioritization should be based on the strategic choices important to the success of the innovation strategy, and timing associated with the various choices.

In many organizations, top managers see innovation as the key to achieving the company’s overall goals. All too often, however, innovation remains a hollow slogan, without any concrete initiatives on the work flow. Especially in turbulent times, top management forgets about the commitments made to innovation. Innovation works only when people at all levels in the organization think about the strategy and provide input to new ideas and initiatives (Verweire, 2014). The viability of a company’s innovation strategy depends on its ability to evolve, not on its static view of today’s business (Matthews & Brueggemann, 2015).
Strategy implementation should be taken to mean the step by which, on the basis of an appropriate budget and a systematic innovation and product management process, the formulated innovation strategy is implemented. In the course of strategy implementation two principles should be considered: (1) Structure follows strategy: this principle implies that each innovation strategy needs organizational structures that are appropriate to its implementation, that is, adapted to the respective strategy. (2) Culture follows strategy: when the question after the essential requirements for successful innovations is raised, a company culture that fosters innovation is regularly mentioned. Each innovation strategy, no matter how well it is formulated, remains ineffective, if it does not go hand in hand with a company culture that supports its implementation (Gaubinger et al., 2015).

According to Betz (2011), basic innovations have been important forces for building new businesses and industries and for long-term economic development. Also historically, patterns of innovation have shown that there are different paths to successful strategy implementation. Innovation affects the range of strategic pathways for changes in direction through; styles of management, stages of life of the company and dynamics of industrial evolution. Strategy implementation entails how innovation strategy affects the innovation practices with respect to how ideas are prioritized, how projects are sources with internal and external roles of the innovation process and how innovation resources are built to realize the strategy. In conclusion, innovation strategy evaluation entails the feedback and learning processes between the firm and the external environment, identifying how the evaluation of strategy achievement occurs and whether measures or control procedures give feedback to the innovation process and strategy implementation (Torkkeli & Mention, 2016).

2.4.1 Types of Strategic Innovations

In an attempt to remedy the instability in the results of innovation research, researchers have developed intermediate or sub-theories of organizational innovation. The majority of these theories are based on differentiation between types of innovation. The distinction between innovation types is considered necessary because neither do all types of innovation have identical attributes, nor do they relate equally to the same predictor variables (Brockhoff & Alok, 2013). Vinals and Rodriguez (2013) explained that different types of innovation
patterns involving a variety of density, combinations and types of innovations are also influenced by the context where they are embedded. This means that the different types of innovations can be distinguished as innovations in technology, goods, service, and organizations.

Anthony (2012) defines strategic innovation as something different that has an impact. It means “to introduce something new into an environment”. This something can be in the form of a product, process, or social innovation. Product Innovation involves the introduction of new products or services into the market. Service Innovation entails the change in business processes within an organization for example, advances in production processes of a manufacturing company. Finally, Social Innovation involves new strategies or concepts that meet the social needs of people within an organization for example, improvement of working atmosphere within a company. These types of innovations are interdependent. Innovations that result from previous innovations are called secondary innovations (Geissel, 2012).

A second classification is between Breakthrough and Incremental innovations. Murgatroyd and Simpson (2012) defines breakthrough innovations as those that create such dramatic changes in products, processes or services that have potential to transform existing markets or sectors, or to create new ones. Breakthrough provides value to the marketplace, not just novelty. According to Narayanan and O’Connor (2010) Incremental innovations can be defined in terms of refinement, improvement and exploitation of existing innovations. They build on and reinforce the applicability of existing knowledge, and subsequently strengthen the dominance and capabilities of incumbent firms and dominant design. Incremental innovations are characterized by reliability, predictability, and low risk.

The firm’s challenge is to be able to manage both types of innovation simultaneously, because both are needed for the long-term health of the organization. In response, firms have increased their competencies in managing the development of incremental innovation in existing products and services, with an emphasis on cost competitiveness and quality improvements. Extensive study of incremental innovation has led to a variety of prescriptions for improvement: Six Sigma quality in manufacturing, concurrent engineering, just-in-time
inventory management for managing the new product development process. These prescriptions are widely adopted and have helped many companies gain their competitive positions in the world marketplace (Mohr, Sengupta, & Slater, 2010).

2.4.2 Role of Strategic Innovation in Organizations

Innovation activities vary greatly in their nature from firm to firm. Some firms engage in well-defined innovation projects, such as the development and introduction of a new product, whereas others primarily make continuous improvements to their products, processes and operations. Both types of firms can be innovative: an innovation can consist of the implementation of a single significant change or of a series of smaller incremental changes that together constitute a significant change (OECD, 2010). Innovation is central to firms’ survival strategy, and constitutes a potential strategy to promote firm efficiency, thus acts as an element of the process of transition from inefficiency to organizational efficiency (Fawzy, 2014).

Innovation represents a strong growth engine for almost all companies in different branches. In particular global, but also domestically operating companies have to perceive the development of new services, products and processes as a prerequisite for a successful going concern, because it is the main reason why companies can still compete in the future market. The capacity for innovation is also important to create a value. Modes of thinking and behavior patterns are more open. Innovations stimulate the imagination of the shareholders, because they promise positive prospective earnings (Sarialtin, 2013).

Gailly (2010) claims that a change will be managed as an innovation by an organization if it leads to a state that is perceived as being new within that organization, in terms of market or technical capabilities, or in terms of component or architectural knowledge. But a change will also have to be managed as an innovation if it leads to a state that is perceived as being new within the environment (market or industry) where the firm operates. Innovation in the private and public sectors has been the subject of a great deal of study because it is generally acknowledged to be central to economic growth and effective governance (Poole & Kaplan, 2012).
Too many companies still view innovation as something that happens at the margins, not in the core business. However, putting innovation on the periphery reinforces the erroneous view that it’s not something the business executive or the divisional vice president should be worried about – instead, it’s the job of the technical staff over in research and development (R&D), or design freaks in new product development. Executives in the core business could just get on with running their day-to-day operations. Most of them have never really felt the need to take personal responsibility for nurturing and mentoring innovation (Skarzynski & Gibson, 2013).

According to research conducted by Carayannis, Varblane and Roolaht (2011), it was deduced that today most employees think their position does not leave very much space for creativity, and even if they consider their company as innovative, they do not see themselves as change agents. While leaders of companies have a rather high tolerance of employees’ mistakes, the employees’ readiness to take risks is not very high. The reasons for this can be the lack of clear future orientation by smaller companies or quite rigid rules by larger organizations which make changes more difficult.

2.5 Chapter Summary
This chapter has broadly reviewed the literature on the factors influencing the implementation of strategic plans in organizations. The first research question looked at the how the company’s organizational structure affects strategy implementation. The second research question looked at how the company’s organizational culture affects strategy implementation. The third addressed how strategic innovation has affected strategy implementation in organizations. Chapter three of the research outlined the design and methodology of the study. It described the design that was adopted by this research to achieve the appropriate objectives. The chapter also described the stages by which the methodology was implemented, detailed the respondents, list of all the instruments used in the study and how the data was analyzed.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
The purpose of this study was to investigate the factors influencing the implementation of strategic plans in organizations. In this chapter an outline of how the research was conducted has been presented. It further indicates the sources of the data and the type of data that was collected. The research design, the methodology for data collection, the approach and data analysis has also been presented in this section.

3.2 Research Design
Research design is the procedure of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose. Research is conducted within the conceptual structures. It constitutes the blueprint for collection, measurement and analysis of data (Saunders, Lewis, & Thornhill, 2012). The research design is used to structure the research, as well as to show how each of the major parts of the research project, the samples or groups, and the research tools and analysis all work together in order to try to address the central research questions at hand. Understanding the relationships between designs and thinking about the strengths and weaknesses of different designs is important in making design choices (Collins, 2010).

The study used descriptive research design. The target population of the research entailed the top and middle level managers of Telkom Kenya Limited a population of 350 managers. The top level managers were 23 in number and 327 middle level managers. Stratified random sampling technique was applied in selecting the intended sample size of 105 respondents from the two levels.

The study was quantitative in nature as data was collected using questionnaires from both clusters. The questionnaires were distributed by the researcher to the different respondents and collected after completion. In regard to data analysis, the demographic data was tabulated using frequency and percentages. For data description, the Pearson’s correlation
was used. The data was presented in the form of tables according to the research questions through the use of Statistical Package for Social Science (SPSS).

3.3 Population and Sampling Design

3.3.1 Population

A population is the totality of items or objects under consideration. A sample is a subset or some part of the population. Sampling is a procedure that uses a small number of elements of a given population as a basis for drawing conclusions about the whole population. Sampling design starts with population definition. Population definition identifies and describes the elements of the population. Target population is the total number of elements of a specific population relevant to the research study (Neelankavil, 2015). The target population of the research entailed the top and middle level managers of Telkom Kenya Limited a population of 350 managers. The top level managers were 23 in number and 327 middle level managers.

Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th></th>
<th>Telkom Kenya Limited Top and Middle Level Management Team</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>Total Number of Top Level Managers</td>
<td>23</td>
</tr>
<tr>
<td>Total Number of Middle Level Managers</td>
<td>327</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
</tr>
</tbody>
</table>

Adapted from (Human Resource Department, 2015)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sampling frame is the list of elements from which a sample is selected. In the simplest sample design, the sampling frame is a list of elements composing of the study population. Properly drawn samples provide information appropriate for describing the population of elements composing the sampling frame and nothing more (Rubin, 2011). In regard to this study, it was carried out in Telkom Kenya Limited and a working sample frame was
therefore drawn from the Human Resources Department. The information was therefore accurate and recent thus adequate for meeting the specific objectives of the study.

3.3.2.2 Sampling Technique
Stratified random sampling technique was applied in this study. This falls under probability sampling. Saunders, Lewis and Thornhill (2012), state that, with probability samples the chance, or probability, of each case being selected from the population is known and is usually equal for all cases. They further describe stratified random sampling as a modification of random sampling in which one divides the population into two or more relevant and significant strata based on one or a number of attributes. A random sample is then drawn from each of the strata.

This technique was used because it combined the conceptual simplicity of simple random sampling with potentially significant gains in reliability. Levy and Lemeshow (2013) note that, it is a convenient technique to use whenever one plans to obtain separate estimates for population parameters for each subdomain within an overall population and, in addition wish to ensure that our sample is representative of the population. The sample was developed at the regional level from each cluster (with in a strata) based on the cluster’s contribution to the total population. The population was stratified into two groups - middle level managers and top level managers.

3.3.2.3 Sample Size
Choice of sample size is governed by: 1) the confidence you need to have in your data – that is, the level of certainty that the characteristics of the data collected will represent the characteristics of the total population; 2) the margin of error that you can tolerate; 3) the types of analyses you are going to undertake and 4) the size of population from which your sample will be drawn. Most researches are content to estimate the population characteristics at 95 per cent certainty to within plus or minus 3 to 5 per cent of its true values. The smaller the relative proportion of the total population sampled, the greater the margin of error (Saunders, Lewis & Thornhill, 2012).
The sample size for this study was based on the population of top and middle level managers of Telkom Kenya Limited. The desired level of confidence to be considered was 95 per cent and a 5 per cent margin of error was applied as the study was based on a small heterogeneous population. With a population of 350 the sample size was 105 managers. This sample size was sufficient and representative of the entire population.

Table 3.2 Sample Size Distribution

<table>
<thead>
<tr>
<th>Telkom Kenya Limited Top and Middle Level Management Team</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>30% Sample Size</td>
</tr>
<tr>
<td>Top Level Managers</td>
<td>23</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>327</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
</tr>
</tbody>
</table>

3.4 Data Collection

Data collection is conducted for a variety of purposes, with a variety of strategies and instruments. When making decisions about data collection strategies, researchers have a conceptual idea and an operational definition of their data collection methods. The conceptual idea is the statement of the attributes of interest; the operational definition is how the data will be collected about those attributes (Mertens & Wilson, 2012). Primary sources of data were applied in this study. Structured questionnaire was used as the tool for data collection. This is further known as a structured-non-disguised questionnaire in which the listing of questions is in a pre-arranged order and where the object of enquiry is revealed to the respondent (Beri, 2013). It was a self-completed questionnaire. Saunders, Lewis and Thornhill (2012), state that self-completed questionnaires are usually completed by the respondents. Such questionnaires are sent electronically using the Internet, posted to respondents or delivered by hand to each respondent and collected later. Responses to interviewer-completed questionnaires are recorded by the interviewer on the basis of each respondent’s answers.
The research instruments were based on the literature review. The instrument was a likert scale from strongly disagree to strongly agree. This was expected to be valid since several studies have used similar factors and items and found them to be valid and reliable measures. The first part of the questionnaire attempted to obtain general information about the respondents whereas the second part determined the awareness of the respondents towards factors influencing the implementation of strategic plans.

3.5 Research Procedures

These were the activities that were undertaken after the proposal writing and before analyzing the collected data. A questionnaire was designed based on the research questions. An introduction letter was attached to the questionnaire explaining the purpose of the research study. The developed questionnaire was then pilot tested, before administering it to the whole population. Pilot testing is an extremely important part of questionnaire design, and sufficient time should be allocated for it. Before pilot testing the questionnaire on people who are representatives of the target population, it should be evaluated by a number of other researchers, particularly those who have used similar questionnaires and used the answers in a study. At the pilot testing stage, it may become clear if the intentions of the researcher are sufficiently understood by the subjects. The researcher should be critical to their work and open to suggestions. The better the pilot testing, the fewer regrets there will be at the end of the study (Nieuwenhuijsen, 2015). Only 10 per cent of the earlier determined sample size was used for the pilot test.

According to Vaus (2014), at least four things should be carefully checked: flow, question skips, timing and respondent’s interest and attention. Finally, pilot testing should provide one with some indication of reliability and validity of one’s items and the questionnaire as it corresponds to the declared aims of the study. After data from the pilot test is coded, one can analyze response patterns and examine triangulated items on the same topic to see how their answers correlate (Gideon, 2012). Final administration of the questionnaires to the target population was through the internet (electronic mails) and delivery by hand. Procedures to encourage response rates include visuals to guide respondents, using simple and straightforward language in individual questions, limiting the number of open-ended questions in the
questionnaire, using credible sponsors for the study, ensuring an eye-catching design for the cover page and questionnaire and finally contacting initial non-respondents through follow-up correspondence (Bradford & Cullen, 2012). In addition to assurance of confidentiality, these methods were used to facilitate a high response rate.

3.6 Data Analysis Methods
The data collected was in the form of discrete quantitative variables. It was thoroughly checked for completeness and comprehensiveness. The SPSS program version 22.0 was used to analyze the data. Data was analyzed through calculation of percentages. Descriptive statistics and frequencies were applied to establish patterns, correlations and to make it easier for the interpretation of implications of the study. Descriptive analysis included a measure of central tendency which is the Mean and a measure of variability, Standard Deviation. Finally, presentation of data was in the form of tables and figures.

3.7 Chapter Summary
This chapter identified and described methods and procedures that were used to carry out the study. It focused on research design, population and sampling design, data collection methods, research procedures and data analysis methods. Primary data was collected using questionnaires. Chapter four presents the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

Collected data was in the form of discrete quantitative variables. It was analyzed using the SPSS program. This chapter presents the descriptive statistics and frequencies that were obtained and have been presented in the form of tables and figures. The section has been divided according to the questionnaire break-down as guided by the research questions.

4.2 Response Rate

The researcher distributed questionnaires to 105 respondents and managed to collect all 105 questionnaires. The researcher then cleaned the collected questionnaires by ensuring that they were completely filled and did not have questions that had been checked more than once. After the data cleaning, the remaining questionnaires that were viable for the study were 84 in total. This gave the study a response rate of 80 percent.

4.3 Demographic Factors

4.3.1 Respondents’ Gender

The respondents were asked to indicate their gender and the results show that 52.4 percent were female and 47.6 percent were male. Majority of the respondents were female, thus indicating that Telkom Kenya also aims at empowering women by employing them to senior management positions. Through this the company appreciates that men and women have different viewpoints, ideas and market insights, which enables better problem solving leading to greater overall performance.
4.3.2 Respondents’ Age

The respondents were asked to indicate their age and the results show that 50 percent were aged between 20-30 years, 29.8 percent were aged between 41-50 years, 19 percent were aged between 31-40 years and 1.2 percent were above 51 years. These results show that the organization had a workforce that spread out evenly over the age categories, thus creating a dynamic and multi-generational workforce with a diverse range of skill sets. With majority of the staff members at Telkom Kenya Limited being young adults, the company has focused on building young professionals who have embraced the high-tech world and who have greater familiarity with business technology tools compared to its more mature counterparts.
4.3.3 Respondents’ Level of Education

The respondents were asked to indicate their level of education and the results show that 39.2 percent had undergraduate degrees, 28.6 percent had graduate degrees, 15.5 percent had higher diploma, 11.9 percent had diplomas, and 4.8 percent had post-graduate degrees. These results indicate that majority of the management staff at Telkom Kenya Limited have a good education background with most top and middle managers being undergraduates and graduates. This shows that the company focuses on employing highly qualified staff into their management task force who inject new ideas and apply current thinking from academia.

![Figure 4.3 Education Level of Respondents](image)

4.3.4 Respondents’ Level of Management

The respondents were asked to indicate their level of management in the organization and the results show that 94 percent were middle managers and 6 percent were top management. These results indicate that majority of the respondents were middle managers serving as an intermediary between top management and the rest of the organization. This also reveals that middle level managers have greater visibility of the greater workforce than top management with their focus being on development and implementation of strategies set by top management.
4.3.5 Years Worked for the Organization

The respondents were asked to indicate the number of years they had worked for the organization and the results show that 52.4 percent had worked for the organization between 0-5 years, 16.7 percent had worked for the organization between 21-25 years, 13.1 percent had worked for 6-10 years, 9.5 percent had worked for 16-20 years and 8.3 percent had worked for 11-15 years. These results show that the respondents had enough experience and had been with the organization long enough to understand the system. With most managers having worked in the organization for 5 or less years, this reflects that the company is focused on employing professionals willing to advance their skills and building a solid professional network.

Figure 4.5 Years Worked for the Organization
4.4 Organizational Structure

4.4.1 Impact of Organizational Structure on Strategy Implementation

The study set out to determine how organization structure affects strategy implementation in Telkom Kenya Limited. The respondents were asked to indicate their rating on factors of organizational structures that affected the implementation of strategic plans using the key (1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, 5=Strongly Agree). Table 4.1 shows the results as follows; the mean result of 3.5 and above shows that organizational structure has a great impact and a standard deviation of less than 1.5 shows that the response was almost similar.

<table>
<thead>
<tr>
<th>Factors</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural stability provides the capacity for consistent management of daily work routines</td>
<td>0</td>
<td>0</td>
<td>2.4</td>
<td>56</td>
<td>41.6</td>
<td>4.39</td>
<td>.538</td>
</tr>
<tr>
<td>Structural flexibility provides opportunity for resource allocation to activities that shape the firm’s competitive advantages</td>
<td>0</td>
<td>3.6</td>
<td>0</td>
<td>47.6</td>
<td>48.8</td>
<td>4.42</td>
<td>.680</td>
</tr>
<tr>
<td>Current adoption of network structures that involve outsourcing of functional activities</td>
<td>0</td>
<td>7.1</td>
<td>19</td>
<td>47.6</td>
<td>26.2</td>
<td>3.93</td>
<td>.861</td>
</tr>
<tr>
<td>Functional structure allowing strong task focus through specialization</td>
<td>0</td>
<td>2.4</td>
<td>9.5</td>
<td>51.2</td>
<td>36.9</td>
<td>4.23</td>
<td>.717</td>
</tr>
<tr>
<td>Strategic Business Units being centralized at the corporate office</td>
<td>3.6</td>
<td>11.9</td>
<td>2.4</td>
<td>44</td>
<td>38.1</td>
<td>4.01</td>
<td>1.103</td>
</tr>
<tr>
<td>Competitive advantage achieved through an early strategy-structure fit</td>
<td>0</td>
<td>0</td>
<td>1.2</td>
<td>47.6</td>
<td>51.2</td>
<td>4.50</td>
<td>.526</td>
</tr>
</tbody>
</table>
Table 4.1 shows that structural stability provides the capacity that an organization requires to consistently manage its daily work routines as agreed to by 97.6 percent of the respondents. The results also show that, structural flexibility provides the opportunity to allocate resources to activities that will shape the competitive advantages of the firm as agreed to by 96.4 percent of the respondents. Today most organizations adopt a network structure that involves outsourcing functional activities as agreed to by 73.8 percent of the respondents. The study shows that, functional structure allows for strong task focus through an emphasis on specialization and efficiency as agreed to by 88.1 percent of the respondents. The study shows that, Strategic Business Units should be centralized at the corporate office as agreed to by 82.1 percent of the respondents, however a standard deviation of 1.103 shows that there was disparity in the responses. The results show that, early achievement of a strategy-structure fit can be a competitive advantage as agreed to by 98.8 percent of the respondents.

**4.4.2 Correlations for Organizational Structure on Strategy Implementation**

The Pearson correlation test was conducted on the organizational structure to determine the significance of the organizational structure factors (the independent variables) and how they impact strategy implementation (the dependent variable). The study required a P value of 0.01 and 0.05 for significant factors.

The results on Table 4.2 show that structural stability providing the capacity an organization requires to consistently manage its daily work routines was significant to strategy implementation (P=0.018). Structural flexibility providing the opportunity to allocate resources to activities that will shape the competitive advantages of the firm was significant to strategy implementation (P=0.012). Today most organizations adopting a network structure that involves outsourcing functional activities was insignificant to strategy implementation (P=0.535). Functional structure allowing for strong task focus through an emphasis on specialization and efficiency was insignificant to strategy implementation (P=0.318). Strategic Business Units being centralized at the corporate office was insignificant to strategy implementation (P=0.161). Early achievement of a strategy-structure fit being a competitive advantage was insignificant to strategy implementation (P=0.336).
Table 4.2 Correlations for Organizational Structure and Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategy Implement</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Structural Stability</td>
<td>.257*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Structural Flexibility</td>
<td>.271*</td>
<td>.346*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.012</td>
<td>.016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Network Structure</td>
<td>-.069</td>
<td>.361*</td>
<td>.214</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.535</td>
<td>.008</td>
<td>.116</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Functional Structure</td>
<td>.110</td>
<td>.150</td>
<td>.143</td>
<td>.321**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>.318</td>
<td>.173</td>
<td>.193</td>
<td>.006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Strategic Business Unit</td>
<td>.154</td>
<td>.347**</td>
<td>.445**</td>
<td>.286**</td>
<td>.271**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>.161</td>
<td>.001</td>
<td>.000</td>
<td>.008</td>
<td>.003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Strategy-Structure Fit</td>
<td>.106</td>
<td>.387**</td>
<td>.159</td>
<td>.303**</td>
<td>.259*</td>
<td>.116*</td>
</tr>
<tr>
<td></td>
<td>.336</td>
<td>.000</td>
<td>.147</td>
<td>.005</td>
<td>.017</td>
<td>.014</td>
<td>1</td>
</tr>
</tbody>
</table>

* Correlation is Significant at 0.05 Level
** Correlation is Significant at 0.01 Level

Dependent variable: Strategy Implementation
Key: Strategy Implement – Strategy Implementation

Based on the positive correlation coefficients of structural stability (0.257), structural flexibility (0.271), functional structure (0.110), strategic business units (0.154) and strategy-structure fit (0.106); each of these factors have a positive correlation to strategy implementation. This means that the more organizations adopt these factors, the easier it becomes to implement strategies. On the other hand, network structure has a negative correlation coefficient of -0.69 which means that, the less the organizations adopt a network structure, the easier it would be for them to implement their strategic plans.
4.5 Organizational Culture

4.5.1 Impact of Organizational Culture on Strategy Implementation

The second objective of the study was to examine how organization structure affects strategy implementation in Telkom Kenya Limited. The respondents were asked to indicate their rating on factors of organizational culture that affected the implementation of strategic plans using the key (1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, 5=Strongly Agree). Table 4.3 shows the results as follows; the mean result of 3.5 and above shows that organizational culture has a great impact on strategic plan implementation and a standard deviation of less than 1.5 shows that the response was almost similar.

<table>
<thead>
<tr>
<th>Factors</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture as a factor in accounting for organizational performance has been ignored</td>
<td>0</td>
<td>8.3</td>
<td>13.1</td>
<td>45.2</td>
<td>33.3</td>
<td>4.04</td>
<td>.898</td>
</tr>
<tr>
<td>Social interaction ultimately determines the effectiveness of an organization in applying knowledge</td>
<td>0</td>
<td>3.6</td>
<td>11.9</td>
<td>60.7</td>
<td>23.8</td>
<td>4.05</td>
<td>.710</td>
</tr>
<tr>
<td>Establishment of trust and communication contributes to productive outcomes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>94</td>
<td>4.94</td>
<td>.238</td>
</tr>
<tr>
<td>A system of shared meaning is critical for effective strategy processes</td>
<td>0</td>
<td>0</td>
<td>19</td>
<td>28.6</td>
<td>52.4</td>
<td>4.33</td>
<td>.781</td>
</tr>
<tr>
<td>Personnel embody shared values that help to ensure cultural compatibility</td>
<td>0</td>
<td>3.6</td>
<td>15.5</td>
<td>46.4</td>
<td>34.5</td>
<td>4.12</td>
<td>.798</td>
</tr>
<tr>
<td>Stability of organizational culture enhancing employee commitment</td>
<td>0</td>
<td>0</td>
<td>2.4</td>
<td>56</td>
<td>41.6</td>
<td>4.39</td>
<td>.538</td>
</tr>
</tbody>
</table>

The results on Table 4.3 shows that culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values as agreed
to by 78.5 percent of the respondents. The results of the study shows that, social interaction ultimately determines how effective an organization can be at applying knowledge as agreed to by 84.5 percent of the respondents. The results revealed that, establishment of trust and communication, contributes to more productive outcomes as agreed to by all the respondents. The results indicate that, a system of shared meaning is a critical variable for effective strategy process as agreed to by 81 percent of the respondents. The results show that, existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented as agreed to by 80.9 percent of the respondents. The results show that stability of organizational culture enhances employee commitment to strategy implementation as agreed to by 97.6% of the respondents.

4.5.2 Correlations for Organizational Culture on Strategy Implementation

The Pearson correlation test was conducted on organizational culture factors to determine the significance of the organizational culture factors (the independent variables) and how they impact strategic plan implementation (the dependent variable). The study required a P value of 0.01 and 0.05 for significant factors.

Table 4.4 shows that culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values was very significant to strategy implementation (P=0.000). Social interaction ultimately determining how effective an organization can be at applying knowledge was insignificant to strategy implementation (P=0.061). Establishment of trust and communication contributing to more productive outcomes was insignificant to strategy implementation (P=0.928). A system of shared meaning being a critical variable for effective strategy process was insignificant to strategy implementation (P=0.213). Existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented was very significant to strategy implementation (P=0.001). Stability of organizational culture that enhanced employee commitment to strategy implementation was very significant to strategy implementation (P=0.000).
### Table 4.4 Correlations for Organizational Culture on Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategy Implement</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Culture</td>
<td>.374**</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Social Interaction</td>
<td>.205</td>
<td>.366</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Trust and Communication</td>
<td>.928</td>
<td>.013</td>
<td>.751</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Shared Meaning</td>
<td>.137</td>
<td>.232*</td>
<td>.108</td>
<td>.167</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Personnel Shared Values</td>
<td>.364**</td>
<td>.160</td>
<td>.355**</td>
<td>.438**</td>
<td>.321*</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Culture Stability</td>
<td>.461**</td>
<td>.341*</td>
<td>.221*</td>
<td>.343**</td>
<td>.212*</td>
<td>.324</td>
</tr>
</tbody>
</table>

* Correlation is Significant at 0.05 Level
** Correlation is Significant at 0.01 Level

Dependent variable: Strategy Implementation
Key: Strategy Implement – Strategy Implementation

Based on the positive correlation coefficients of culture (0.374), social interaction (0.205), trust and communication (0.010), shared meaning (0.137), personnel shared values (0.364) and culture stability (0.461); each of these factors have a positive correlation to strategy implementation. This means that the more organizations adopt these factors, the easier it becomes to implement strategies.

#### 4.6 Strategic Innovation

**4.6.1 Impact of Strategic Innovation on Strategy Implementation**

The third objective of the study was to determine the impact of innovation on strategy implementation in Telkom Kenya Limited. The respondents were asked to indicate their rating on innovation factors that affected the implementation of strategic plans using the key
(1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, 5=Strongly Agree). Table 4.5 shows the results as follows; the mean result of 3.5 and above shows that innovation factors have a great impact and a standard deviation of less than 1.5 shows that the response was almost similar.

### Table 4.5 Impact of Strategic Innovation on Strategy Implementation

<table>
<thead>
<tr>
<th>Factors</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
</table>
| Skills acquired contribute to the creation of new ideas                | 0 | 0 | 10.7 | 29.8 | 59.5 | 4.49 | .685
| Firms with scarce important capabilities profit most from innovation activities | 0 | 7.1 | 28.6 | 39.3 | 25 | 3.82 | .894 |
| Managers risk investing resources in the formulation of innovative strategies without sufficient return | 0 | 11.9 | 23.8 | 34.5 | 29.8 | 3.82 | .996 |
| Innovation not being taken seriously and left to technical staff in R&D | 0 | 8.3 | 11.9 | 46.4 | 33.3 | 4.05 | .890 |
| Employees’ training on use of available technology to facilitate innovative solutions | 3.6 | 16.7 | 16.7 | 28.6 | 34.5 | 3.74 | 1.204 |
| New business growth focused on firm’s internal capabilities            | 0 | 6 | 21.4 | 22.6 | 50 | 4.17 | .967 |

The results in Table 4.5 shows that the skills acquired contribute to the creation of new ideas as agreed to by 89.3 percent of the respondents. The study results show that, firms with important scarce capabilities profit the most from innovation activities as agreed to by 64.3 percent of the respondents. The results show that, managers risk investing enormous resources in the formulation of innovative strategies without sufficient return as agreed to by 64.3 percent of the respondents. The study results shows that, innovation is not taken seriously as it is seen as the job of technical staff over in R&D as agreed to by 79.7 percent.
The study results on Table 4.5 indicate that, employees are trained to use the available technology and resources to facilitate in the creation of innovative solutions as agreed to by 63.1 percent of the respondents. However a standard deviation of 1.204 shows that there was disparity in the responses. The study results shows that, new business growth is focused on the internal capabilities of an organization as agreed to by 72.6 percent of the respondents.

4.6.2 Correlations for Strategic Innovation on Strategy Implementation

The Pearson correlation test was conducted on innovation factors (the independent variables) to determine the significance of the factors and how they impact strategic plan implementation (the dependent variable). The study required a P value of 0.01 and 0.05 for significant factors.

Table 4.6 shows that, skills acquired contributing to the creation of new ideas was very significant to strategy implementation (P=0.001). Firms with scarce and important capabilities profit the most from innovation activities was significant to strategy implementation (P=0.001). Managers risk investing enormous resources in the formulation of innovative strategies without sufficient return was very significant to strategy implementation (P=0.000). Innovation is not taken seriously as it is seen as the job of technical staff over in R&D was insignificant to strategy implementation (P=0.070). Employees being trained to use the available technology and resources to facilitate in the creation of innovative solutions was insignificant to strategy implementation (P=0.135). New business growth being focused on the internal capabilities of an organization was insignificant to strategy implementation (P=0.130).
Table 4.6 Correlations for Strategic Innovation on Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategy Implement</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills Acquired</td>
<td>.343**</td>
<td>.001</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Scarce Capability</td>
<td>.360**</td>
<td>.333*</td>
<td>.001</td>
<td>.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Resource Invest</td>
<td>.518**</td>
<td>.377*</td>
<td>.367*</td>
<td>.013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Innovation Seriousness</td>
<td>.198</td>
<td>.389**</td>
<td>.444**</td>
<td>.143</td>
<td>.961</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Employee Training</td>
<td>-.164</td>
<td>-.201</td>
<td>-.150</td>
<td>-.258*</td>
<td>-.361*</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Internal Capability</td>
<td>.167</td>
<td>-.160</td>
<td>-.056</td>
<td>-.121</td>
<td>.090</td>
<td>.163</td>
</tr>
</tbody>
</table>

* Correlation is Significant at 0.05 Level
** Correlation is Significant at 0.01 Level
Dependent variable: Strategy Implementation
Key: Strategy Implement – Strategy Implementation, Resource Invest – Resource Investment

Based on the positive correlation coefficients of skills acquired (0.343), scarce capabilities (0.360), resource investment (0.518), innovation seriousness (0.198) and internal capability (0.167); each of these factors have a positive correlation to strategy implementation. This means that the more organizations adopt these factors, the easier it becomes to implement strategies. On the other hand, employee training has a negative correlation coefficient of -0.164 which means that, the less the organizations train employees, the easier it would be to implement its strategic plans.
4.6.3 Other Factors
The respondents were asked to indicate other factors that affected strategic plan implementation and their response was as follows:

![Other Factors Chart]

Figure 4.6 Other Factors

Figure 4.6 shows that, 27.6 percent stated that project management would affect implementation, 13.1% stated that strategic plans would affect implementation, 10.7 percent equally indicated that human resource and organizational resources would impact implementation, 9.5 percent stated that environmental factors would impact implementation, 8.3 percent equally mentioned organizational culture and leadership as factors that would impact implementation, 7.1 percent noted that government regulations impacted implementation and 4.7 percent stated that company goals and objectives affected implementation of strategic plans. Majority of the respondents stated that project management greatly influences strategy implementation implying that it requires deliberate planning and action to create conditions necessary for the overall success of the company.
4.7 Chapter Summary

The chapter has given a break-down of collected and analyzed data. Descriptive statistics and frequencies were used to analyze the data and meaning has been given for the numerical figures that were obtained. The next chapter gives the study discussion, conclusion and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter concludes the study and it will offer the study summary and the study discussions in relation to the literature. The chapter will also offer the conclusion from the study results and offer recommendations for improvement and for further studies.

5.2 Summary
The purpose of this study was to investigate the factors influencing effective implementation of strategic plans in organizations for the case of Telkom Kenya Limited. The research was guided by the following research questions: How has the company’s organizational structure affected strategy implementation? How has the company’s organizational culture affected strategy implementation? How has the company’s innovation affected strategy implementation?

The study applied the descriptive research design. The target population of the study was the top and middle level managers of Telkom Kenya Limited, which was 350. The top level managers were 23 in number while the middle level managers were 327. Stratified random sampling technique was used to select the intended sample size of 105 respondents from both groups. Data was collected through a questionnaire. Questionnaires were distributed to the different respondents by hand and through electronic mail and thereafter collected after submission. The demographic data was tabulated using frequency and percentages. Pearson’s correlation was used describe the data. The sampled data was then presented in form of tables based on the research questions by the use of Statistical Product and Services Solutions (SPSS).

The study showed that, structural stability provides the capacity that an organization requires to consistently manage its daily work routines and that structural flexibility provides the opportunity to allocate resources to activities that shape the competitive advantages of the firm. It also revealed that, most organizations have recently adopted a network structure that involves outsourcing functional activities leaving them with core activities and that a
functional structure allows for strong task focus through an emphasis on specialization and efficiency. It further revealed that strategic business units need to be centralized at the corporate office since the early achievement of a strategy-structure fit can be a competitive advantage.

The study revealed that culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values while social interaction ultimately determines how effective an organization can be at applying knowledge. The study also showed that, establishment of trust and communication, contributes to more productive outcomes and that a system of shared meaning is a critical variable for effective strategy process. It showed that, existing personnel embody shared values and norms that help to ensure cultural compatibility as major changes are implemented, and that stability of organizational culture enhances employee commitment to strategy implementation.

The study also revealed that, the skills acquired contribute to the creation of new ideas and firms with scarce and important capabilities profit the most from innovation activities. From the study results, it was revealed that, managers risk investing in enormous resources in the formulation of innovative strategies without sufficient return and that innovation is not taken seriously as it is seen as the job of technical staff over in R&D. The results further showed that, employees are trained to use the available technology and resources to facilitate in the creation of innovative solutions, and that new business growth is focused on the internal capabilities of an organization.

5.3 Discussions
5.3.1 Impact of Organizational Structure on Strategy Implementation
The study showed that, structural stability provided the capacity that an organization required to consistently manage its daily work routines. These results are in tandem with Hitt, Ireland and Hoskisson (2013) who state that, structural stability provides the capacity the firm requires to consistently and predictably manage its daily work routines. The study showed that, structural flexibility provided the opportunity to allocate resources to activities that shaped the competitive advantages of the firm. These results are also in tandem with Hitt,
Ireland and Hoskisson (2013) who state that, structural flexibility provides the opportunity to explore competitive possibilities and then allocate resources to activities that will shape the competitive advantages the firm will need to be successful in the future.

The study showed that, today most organizations adopted a network structure that involved outsourcing functional activities. These results are in tandem with Gasper et al. (2010) who state that, many companies today are adopting the network organizational structure where the organization contracts out most functions except administration. The study showed that, functional structure allowed for strong task focus through an emphasis on specialization and efficiency. According to Gasper et al. (2010), functional organizational structure involves structuring an organization around basic business functions such as production and operations, marketing, and finance. It is mainly used by small – to medium-sized businesses and other companies and is relatively straight forward.

The study showed that, strategic business units should be centralized at the corporate office. According to Kumar and Meenakshi (2009), organization structure supports effective controls. Accountability for performance is important in decentralized organizations, they further state that, it is important to ensure that every unit has appropriate control over its performance and that, it is important to focus on units with shared responsibilities. The study showed that, early achievement of a strategy-structure fit can be a competitive advantage. According to Chitale, Mohanty and Dubey (2013), organization structure also enables organizations to gain competitive advantage. They state that, the way the organization designs its structure is an important determinant, as well as, how much value the organization creates depends on organization design, because it is the means of implementing an organization’s strategy.

5.3.2 Impact of Organizational Culture on Strategy Implementation

The study showed that, culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values. These results are similar to Cameron and Quinn’s (2011) observation that, the reason why culture was ignored for so long by managers and scholars as an important factor in accounting for organizational
performance is that it encompasses the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization. The study showed that, social interaction ultimately determines how effective an organization can be at applying knowledge. These results go in tandem with Lee and Chen (2005) who state that, culture created the context for social interaction that ultimately determines how effective an organization can be at creating, sharing and applying knowledge.

The study showed that, establishment of trust and communication, contributes to more productive outcomes, which according to Heskett (2012), culture can be thought of as an element of organizational strategy and it can help establish expectations, foster trust, facilitate communications, and reduce uncertainty in relationships between human beings. In so doing, it can contribute to more productive outcomes. The study showed that, a system of shared meaning is a critical variable for effective strategy process and Neuert (2014) stated that organizational culture as a system of shared meaning, it is a critical variable for effective strategy process. Hofstede concluded that organizational culture is a soft, holistic concept with, however, presumed hard consequences. An organization’s collective culture influences both the attitudes and subsequent behaviors of its employees as well as the level of performance the organization achieves.

The study showed that, existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented. These results are in tandem with Neuert (2014) who states that, a stable organizational culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success. The study showed that stability of organizational culture enhances employee commitment to strategy implementation. These results are in tandem with Neuert (2014) who states that, a stable organizational culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success.
5.3.3 Impact of Strategic Innovation on Strategy Implementation

The study showed that, the skills acquired contribute to the creation of new ideas and according to OECD (2010), strategic innovation involves the implementation of new organizational method in the firm’s business practices, workplace organization or external relations. The study showed that, firms with scarce and important capabilities profit the most from innovation activities. These results are similar to Afuah’s (2014) observation, that, firms with scarce and important complementary capabilities are often the ones that profit the most from innovation activities, whether they moved first in performing the innovation activities or were followers. Having important scare complementary capabilities is one of the hallmarks of exploiters.

The study showed that, managers’ risk investing in enormous resources in the formulation of innovative strategies without sufficient return. According to Weiss and Legrand (2011), greater innovation can occur within acceptable levels of risk. Risk management should always be built into the innovative process and Cordia (2012) notes that, innovations must be speeded up continuously in order to obtain more profit from the investment and to achieve more benefit from a fast product introduction thereby increasing competitive advantage. The study showed that, innovation is not taken seriously as it is seen as the job of techies over in R&D. these results are similar to Skarzynski and Gibson’s (2013) observation that, too many companies still view innovation as something that happens at the margins, not in the core business. However, putting innovation on the periphery reinforces the erroneous view that it’s not something the business executive or the divisional vice president should be worried about – instead, it is the job of the techies over in R&D, or design freaks in new product development.

The study showed that, employees are trained to use the available technology and resources to facilitate in the creation of innovative solutions. These results may stem from the fact that employees are trained since Carayannis, Varblane and Roolah (2011) state that, it is deduced that today most employees think their position does not leave very much space for creativity, and even if they consider their company as innovative, they do not see themselves as change agents. The study showed that, new business growth is focused on the internal capabilities of
an organization. Gailly (2010) claims that a change will be managed as an innovation by an organization if it leads to a state that is perceived as being new within that organization, in terms of market or technical capabilities, or in terms of component or architectural knowledge. But a change will also have to be managed as an innovation if it leads to a state that is perceived as being new within the environment (market or industry) where the firm operates.

5.4 Conclusions

5.4.1 Impact of Organizational Structure on Strategy Implementation

The study concludes that structural stability provides the capacity that an organization requires to consistently manage its daily work routines and that structural flexibility provides the opportunity to allocate resources to activities that shape the competitive advantages of the firm. It can be concluded that most organizations have recently adopted a network structure that involves outsourcing functional activities leaving them with core activities. It can also be concluded that functional structure allows for strong task focus through an emphasis on specialization and efficiency and that strategic business units need to be centralized at the corporate office since the early achievement of a strategy-structure fit can be a competitive advantage.

5.4.2 Impact of Organizational Culture on Strategy Implementation

The study concludes that culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted while social interaction ultimately determines how effective an organization can be at applying knowledge. Establishment of trust and communication contributes to more productive outcomes and a system of shared meaning is a critical variable for effective strategy process. From the study, it can be concluded that an existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented.

5.4.3 Impact of Strategic Innovation on Strategy Implementation

The study concludes that, the skills acquired contribute to the creation of new ideas and firms with scarce and important capabilities profit the most from innovation activities. From the
study results, it can be concluded that managers risk investing enormous resources in the formulation of innovative strategies without sufficient return and that innovation is not taken seriously as it is seen as the job of techies over in R&D. The study concludes that, employees are trained to use the available technology and resources to facilitate in the creation of innovative solutions and that new business growth is focused on the internal capabilities of an organization.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Impact of Organizational Structure on Strategy Implementation
From the study it has been noted that organizational structure is paramount to strategy implementation. Key factors of organizational structure lies on organizational design and the process of selecting the right combination of organizational structure, the study therefore recommends that Telkom Kenya Limited needs to monitor and oversee its organizational design process to achieve superior performance and overall profitability.

5.5.1.2 Impact of Organizational Culture on Strategy Implementation
Organizational culture is the backbone of how the organizational factors operate within and outside the organization. It gives the organization a foundation of how it interacts with itself and with other stakeholders and may lead to the growth or downfall of the organization. This study has revealed that Telkom Kenya has ignored this crucial factor and thus recommends that the policy makers and managers pay attention to the organizational culture and streamline in to fit the company goals that should be driven towards implementation of strategic plans.

5.5.1.3 Impact of Strategic Innovation on Strategy Implementation
Innovation activities vary greatly in their nature from firm to firm. Some firms engage in well-defined innovation projects, such as the development and introduction of a new product, whereas others primarily make continuous improvements to their products, processes and operations. Regardless of what a firm prefers, innovation is key to a firm’s growth and to facilitate strategy implementation. The study recommends that Telkom Kenya Limited
adopts change management that will facilitate its ability to become a learning institution that quickly implements innovation in its system.

5.5.2 Recommendations for Further Studies

This study has focused on factors influencing the implementation of strategic plans in organizations with a focus on Telkom Kenya Limited. It has explored the impact of organizational structure, organizational culture and innovation. It thus suggests that further studies be carried out on external factors like the organizational environment and type of industry to give a better aspect of these factors. The study also recommends that similar studies be carried out on other organizations within the country.
REFERENCES


To Whom It May Concern

United States International University
P.O. BOX 14634 - 00800
Nairobi, Kenya

Dear Respondent,

I am a graduate student at the United States International University in partial fulfillment of the requirement for the degree of Masters of Business Administration (MBA) Strategic Management option. I am conducting a study to determine the Factors Influencing the Implementation of Strategic Plans in Organizations: A Case Study of Telkom Kenya Limited.

The information provided by respondents will be protected by the principle of confidentiality. Your participation is very imperative for the accomplishment of this study and it will be highly appreciated. Should you have any questions or concerns with regards to the questionnaire, please do not hesitate to contact me through my contact provided above.

Thank you for your cooperation and time.

Yours Sincerely,

Edith Mburu.
### APPENDIX II: QUESTIONNAIRE

**Section A: Demographic Factors**

1. **Gender**
   - Male [ ]
   - Female [ ]

2. **Age**
   - 20 – 30 [ ]
   - 31 – 40 [ ]
   - 41 - 50 [ ]
   - Above 50 [ ]

3. **Highest Level of Education**
   - Certificate [ ]
   - Undergraduate [ ]
   - Diploma [ ]
   - Graduate [ ]
   - Higher Diploma [ ]
   - Post Graduate [ ]

4. **Number of years you have worked in Telkom Kenya Limited**
   - 0 – 5 [ ]
   - 6 – 10 [ ]
   - 11 - 15 [ ]
   - 16 - 20 [ ]
   - 21 – 25 [ ]
   - Above 25 [ ]

5. **Management Level**
   - Top Management [ ]
   - Middle Management [ ]
**Section B: Organization Structure**

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✓] in the table below.

<table>
<thead>
<tr>
<th>Factors</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>1. Structural stability provides the capacity an organization requires</td>
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<td>to consistently manage its daily work routines</td>
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<td>2. Structural flexibility provides the opportunity to allocate</td>
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<td>resources to activities that will shape the competitive advantages of</td>
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<td>the firm</td>
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<td>3. Today most organizations adopt a network structure that involves</td>
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<td>outsourcing functional activities</td>
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<td>4. Functional structure allows for strong task focus through an</td>
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<td>emphasis on specialization and efficiency</td>
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<td>5. Strategic Business Units should be centralized at the corporate</td>
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<td>office</td>
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<td>6. Early achievement of a strategy-structure fit can be a competitive</td>
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<td>advantage</td>
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Section C: Organization Culture

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [ ✅ ] in the table below.

<table>
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<tr>
<th>Factors</th>
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<th>2</th>
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<tbody>
<tr>
<td>1. Culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values.</td>
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<td>2. Social interaction ultimately determines how effective an organization can be at applying knowledge</td>
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<td>3. Establishment of trust and communication, contributes to more productive outcomes</td>
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<td>4. A system of shared meaning is a critical variable for effective strategy process</td>
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<td>5. Existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented.</td>
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<td>6. Stability of organizational culture enhances employee commitment to strategy implementation</td>
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</table>
Section D: Strategic Innovation

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✓] in the table below.

<table>
<thead>
<tr>
<th>Factors</th>
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<tbody>
<tr>
<td>1. The skills acquired contribute to the creation of new ideas</td>
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<td>2. Firms with scarce important capabilities profit the most from innovation activities</td>
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<td>3. Managers risk investing in enormous resources in the formulation of innovative strategies without sufficient return</td>
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<td>4. Innovation is not taken seriously as it is seen as the job of technical staff over in R&amp;D</td>
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<td>5. Employees are trained to use the available technology to facilitate in the creation of innovative solutions</td>
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<td>6. New business growth is focused on the internal capabilities of an organization</td>
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Section E: Strategy Implementation

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✓] in the table below.

<table>
<thead>
<tr>
<th>Factors</th>
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<th>2</th>
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<tr>
<td>1. Strategic consensus acts as a shared understanding to a strategic directive between individuals or groups within an organization.</td>
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<td>2. A proper strategy-structure alignment is a necessary precursor to the successful implementation of new business strategies.</td>
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<td>3. A stable corporate culture focuses on productivity rather than resistance to rules and regulations or external factors that prohibit success</td>
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<td>4. The leadership culture of senior managers has a significant effect on decision-making.</td>
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<td>5. An innovative product with great potential may fail miserably whilst another with seemingly less promise may succeed dramatically, thus the need for multiple ideas or experiments</td>
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<td>6. Mobilization of organizational capabilities enables the firm to advantage of strategic opportunities</td>
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6. Describe other factors which influence the implementation of strategic plans in organizations

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END