ASSESSMENT OF FACTORS DETERMINING COMPETITIVE STRATEGY IMPLEMENTATION IN SMALL MEDIUM ENTERPRISES (SME’S) – CASE STUDY ON GEM ARCH PLANS

BY

FELISTA W. NGORU

UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

SPRING 2015
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FELISTA W. NGORU

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

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SPRING 2015
STUDENT’S DECLARATION

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

Signed: ___________________________     Date: ___________________________

Felista W. Ngoru (640850)

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

Signed: ___________________________     Date: ___________________________

Dr. Paul Katuse

Signed: ___________________________     Date: ___________________________

Dean, Chandaria School of Business
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Secondly my sincere appreciation goes to the CEO of Gem Arch plans for allowing me the chance to do my research at his wonderful organization. I am grateful to my Family for allowing me the time to undertake my Study, my parents they bore me, raised me, supported me, taught me, loved me and always believed in me.

Above all, I thank God for his Grace that enabled me to undertake this degree Program which is one way or another happen to be an inspiration to my daughters.
DEDICATION

I hereby dedicate this research Project to my daughters Arielle and Chantel. May God Almighty Bless you abundantly.
ABSTRACT

The purpose of this study was to access factors determining Strategy Implementation in SMES with Gem Arch plans being the case study. Gem Arch plans, is a professional consultancy firm that offers services in the field of architecture, interior design, urban and Environmental planning (EIA - NEMA). Initiated and registered in Kenya in 2005, it is a fully locally owned firm founded on realism ideals of the highly dynamic architectural facets that is inherent of the 21st century. There are four research questions this being, how does Leadership impact Strategy Implementation? What level of employee’s involvement is required to enhance successful Strategy Implementation? What key role do Resources play in Strategy Implementation? And how does the Organizational Culture Impact on Strategy Implementation?

The study used Census research design. The reason of using census is that the population of employees at Gem Arch plans is forty eight. There is no need to obtain sample from a population if the size of population is not big enough. Use of census ensures fair representation of findings from different departments and sections of the organization. Well-structured questionnaire were used in data collection. Pilot questionnaires were distributed to five randomly selected employees to aide in criticizing the questionnaire prior the actual survey. The data collected was collected using questionnaire and analyzed using descriptive and content analysis with the help of Statistical Package for Social Science (SPSS) tool. The data then is presented by use of Charts, Graphs and tables.

The study established that leadership, employee involvement, resource allocation, organizational culture had a significant effect of strategy implementation. More over the study revealed that employee’s involvement affects strategy implementation to a great extent; lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals, the involvement of middle managers helps build consensus for the strategy. The study also established that resources do play a vital role in strategy implementation; the source of competitive advantage is rooted in a firm resources and capabilities, sufficient resources are crucial factor in strategy implementation, lack of resources, like time and people, is a key reason for failure of strategy implementation, strategy implementation depends on resources and competencies possessed by the firm.
The study also identified that the planners should place more emphasis on implementation issues while they are drafting their plans, most of these obstacles are avoidable if they have been accounted for during the formulation stage. It is obvious that many strategic plans fail to realize the anticipated benefits due to problems and difficulties faced during implementation.

The study concluded that leadership through communication is one of the most important vehicles for successful implementation, to facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization. Employees are an important milestone to make strategy everyone’s everyday job, the success of any implementation effort depends on the level of involvement of employees and that teamwork plays an important role within the process of strategy implementation. In addition the study revealed that employee’s involvement is required to enhance successful strategy implementation, that resources played a crucial role in strategy implementation and that organizational culture impact on strategy implementation.

The study recommends that the management of SMEs must ensure that right leadership is put into place as this will help to ensure that the implementation process proceeds as directed, there is need to allocate sufficient resources, and that the organizational culture must be aligned with the strategic goal as this all were found to play significant role in the successful implementation of business strategy.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Strategy formulation is one of the highest priorities in most organizations unfortunately too often leaders focus their energy and resources into formulating strategy and too little time is spent on figuring out how to implement that strategy (Rainer Feurer, KazemChaharbaghi, John Wargin, 1995). Whereas large organizations might have figured out how to implement competitive strategy effectively this still presumes to be the greatest challenge in SME’S. Small and medium enterprises are considered backbone of economic growth in all countries. They contribute in providing job opportunities, act as supplier of goods and services to large organizations. SMEs are defined by a number of factors and criteria, such as location, size, age, structure, organization, number of employees, sales volume, worth of assets, ownership through innovation and technology (Rahman, 2001).

Majority of SMEs have simple systems and procedures, which allows flexibility, immediate feedback, short decision making chain, better understanding and quicker response to customer needs than larger organizations. In spite of these supporting characteristics of SMEs, they are on tremendous pressure to sustain their competitiveness in domestic as well as global markets. Owing to global competition, technological advances and changing needs of consumers, competitive paradigms are continuously changing. These changes are driving firms to compete, simultaneously along different dimensions such as design and development of product, manufacturing, distribution, communication and marketing.

The goal of every competitive strategy is to achieve sustainable competitive advantage (Salvador Vivas Lopes, 2005, Stalk & Lachenauer, 2004). This objective is achieved through competitive strategy implementation, which is defined primarily by the strategic advantage of either low cost leadership or differentiation (Porter, 1998a, 2008). The transient nature of some competitive advantages over the changing environmental conditions require that strategists deeply understand the competition process and the
factors that underlie each advantage in order to position themselves to changes in such underlying conditions (Christensen, 2001).

Such changes, which are at times turbulent and unpredictable, have made competitiveness become a central preoccupation of both advanced and developing countries (Porter, 2003). The success or failure of strategies is linked, to a great measure to how they are implemented (Stalk & Lachenauer, 2004). Poor implementation can make sound strategic decisions ineffective, while successful implementation can make a doubtful strategic choice successful (Mintzberg, Quinn, & Ghoshal, 2003). However, implementation of strategy exhibits its own resistance which can invalidate the planning effort (Ansoff and McDonnell, 1990).

The criteria for competitive positioning are industry forces that compel the need for positioning (Porter, 1985, 1998a,). Porter’s five forces model constitutes a framework for environmental threats and opportunities profile tool as it focuses on these two dimensions of strategic analysis. These forces may be summarized as emanating primarily from three areas comprising customers, suppliers and competitors. In addressing these five forces, and in order to effectively compete, firms must choose and adopt appropriate generic strategies. Such strategies are core ideas about how a firm can best compete in the market place. Porter’s (1998a) generic strategies’ model comprises two dimensions. The first is the strategic target or competitive scope, which indicates how widely the product is intended to compete, either throughout the industry or within a particular market niche. The second dimension is the strategic advantage or competitive advantage. This indicates the basis on which the product is intended to compete, either by uniqueness / differentiation as perceived by the customer, or low unit cost of production.

Porter (1985) identifies firms that practice both cost leadership and differentiation strategies simultaneously as being stuck in the middle. Johnson and Scholes (2002) critique Porter's differentiation concept by introducing the possibility of pursuing differentiation while maintaining low cost positioning. Two schools of thought have emerged from this discussion, with one supporting mutual exclusion of the two strategies (Dess& Davis, 1984), while the other advocates simultaneous application of the two strategies. From this stand point, a question arises whether firms that are inclined to apply
one school of thought achieve higher implementation than those that apply the other school of thought.

The importance of strategy implementation is underscored by its repeated mentions either explicitly or implicitly in the various definitions of strategic management by different scholars (Andrews, 1980; Ansoff, 1987; Certo & Peter, 1995; Johnson & Scholes, 2002; Pearce & Robinson, 2005). Despite this significant mention, emphasis of its importance, tools of its facilitation and its challenges appear not to have been adequately addressed in literature further studies have been done on implementation but little has been done on SMES success in implementation which is the major focus on this paper. This situation has led to failed plans and abandoned planning efforts (Brinkerhorr, 1996; Gluck et al., 1980; Gottschalk, 1999; Hambrick & Cannella, 1989; Kazanjian & Drazin, 1987; Weiss & Birnbaum, 1989). It may appear imperative therefore, that implementation is the nourishment and stimulant for the sustenance of strategic management and it is at the heart of the discipline. The essence of implementation is to create a reorientation in the organizational structure to align it with the planned strategic decision. This reorientation is in itself a change, which elicits resistance. Resistance to change occurs whenever an organizational change introduces a discontinuous departure from the historical behavior, culture, and power structure (Ansoff & McDonnell, 1990).

To successfully implement an organization’s strategy; it must be the focus of every person in that organization. It is up to the leaders to create, monitor, and reward that focus as it is expressed. It requires three steps, first step being to clarify your strategy in a way that people in your organization can rally to support its implementation. This strategy will tie together the goals and objectives and clearly explain what is to be done, (Brinkerhorr, 1996). Powerfully communicating the essence of the strategy at every level of the organization using multiple mediums is key. There is need to cascade it throughout the organization and get to the practical and tactical components of people’s jobs every day. Moreover Competitive strategies being the methods by which an organization can achieve a competitive advantage in the market. This can be through cost leadership differentiation and a focus strategy. A mixture of two or more of these strategies is also possible depending on your business’ objectives and current market position, (Johnson and Scholes, 2002).
Recently, there has been a boom in the real estate sector. Everywhere we look there seems to be construction sites coming up and with this calls for good designs and overseeing this projects too completion and thus need for good architects. The high growth rate facilitated by the forces of demand and supply has seen the rise of Medium architectural firms rising to tap the growing market. To ensure their sustainability its important they learn to competitively implement strategies effectively to be able to attain an edge over their competitors, one such company is Gem Archplans our company of focus, Gem Arch plans ,it is a professional consultancy firm that offers services in the field of architecture, interior design, urban and Environmental planning (EIA - NEMA). Initiated and registered in Kenya in 2005, it is a fully locally owned firm founded on realism ideals of the highly dynamic architectural facets that is inherent of the 21st century. They bring with them a wealthy inventory of experience gained through diverse projects they have handled both separately and at individual level gained from previous postings and collectively as a firm. Though a young firm Gem Arch plans boasts of the finest projects in the region. Their team of dynamic Architects and assistants work cohesively together for integrated input to all projects. Their lead principle is a client oriented one, synthesized with the diverse parameters of our socio-economic fabric, built environment and commercial viability in pursuit to improvement of quality human life and fosters development to the nation (http://gemarchplans.com/).

1.2 Statement of the Problem

The Small and Medium Enterprises (SMEs) play an important role in the Kenyan Economy. Although they accelerate economic growth, generate employment, foreign exchange and tax revenue, they operate against heavy odds and any slight changes in the external environment hits them strongly (King & McGrath, 2002). Despite their significance, studies indicate that three out of five businesses die within the first few months of their operation (Nickels et al., 2002). This suggests that SMEs face many strategy implementation challenges which hamper their competitiveness and survival. Nasirembe (2008) contends that financing is a critical element in ensuring the competitiveness of SMEs.

However, Small enterprises remain unattractive to financial institutions due to high risks associated with non-performing loans. Weak linkages and lack of managerial skills among small enterprises also make it difficult for them to access capital. SMEs are
important catalysts for economic growth and employment creation in Kenya. It is therefore important to facilitate their growth by identifying and addressing challenges which impede their operations. The study aims at establishing challenges faced by SMEs in strategy implementation and making recommendations aimed at improving their conditions.

Empirical studies on Strategy Implementation by SMEs in Nairobi City County are not systematically documented. A study by Wainaina (2011) focused on the strategic implementation practices at the Law Society of Kenya, while Kitoto (2011) studied the strategic implementation challenges at Kenya Pipeline Company. Muchiri (2012) studied challenges of strategy implementation at the Ministry of Finance in Kenya whereas Njiraini (2012) studied challenges of strategic plan implementation at the Bank of Africa in Kenya. While these research studies emphasize the challenges of strategy implementation, they do not focus on Small and Medium Enterprises in Kenya. Guided by this knowledge gap, the proposed study fills this void by seeking to assess factors affecting competitive strategy implementation in Small Medium Enterprises (SME’S) with special focus on Gem Arch plans.

1.3 Purpose of Study

The study sought to determine factors affecting competitive strategy implementation in Small Medium Enterprises (SME’S) with special focus on Gem Arch plans.

1.4 Research Questions

1.4.1 How does leadership impact strategy implementation?
1.4.2 What level of employee’s involvement is required to enhance successful strategy implementation?
1.4.3 What key role do resources play in strategy implementation?
1.4.4 How does the organizational culture impact on strategy implementation?

1.5 Significance of the Study

1.5.1 Entrepreneur

The entrepreneur of the company stands to gain greatly from the study for by him being able to successfully implement strategies he will be able to gain a competitive edge in the industry thus grow the company and reap economic benefits from high returns.
1.5.2 Employees
The employees stand to greatly gain from this research. The SME strategy implementation being a relative new phenomenon will have the organization operating at very professional level thus enable an ideal structure in place which will mean employees are able to achieve their set objectives efficiently, economically and effectively. It will further boost their morale and level of self-confidence.

1.5.3 Academicians and Researchers
My research intends to benefit scholars who are keen to understanding the strategy implementation phenomenon in SMES thus being a further development of previous researches done addressing an area previously ignored. It will benefit scholars by giving them the knowledge and other researchers can get into further analysis of more diversified areas.

1.6 Scope of Study
This covers the forecasts, coverage, limit, extent and boundaries. This covered one SME in the country with diversified projects round the key counties. This entailed all members of staff in the company. This was conducted in two academic semester’s from October 2014 to April 2015 the limitations of the study majorly involved confidentiality, this being an SME that has not gone public they were most likely to be afraid in reveal all information for fear of competitors knowing about their strategies and out shining them by implementing counterproductive strategies. These limitations were mitigated by assuring them of utmost confidentiality and abiding to sign confidentiality contracts. Further still challenges were anticipated in accessing all employees and they were willing to give all the information due to for fear of victimization these was overcomed by securing official appointments and making the questionnaires anonymous.

1.7 Definition of Terms
1.7.1 Competitive Advantage
Barney (2002) says that “a firm experiences competitive advantages when its actions in an industry or market create economic value and when few competing firms are engaging in similar actions.” Porter says “competitive advantage is at the heart of a firm’s performance in competitive markets”
1.7.2 Generic Strategies
Porter's generic strategies describe how a company pursues competitive advantage across its chosen market scope. There are three generic strategies, either lower cost, differentiated, or focus, (Peters 1999).

1.7.2 Strategy
Porter (1996) states: “Strategy is the creation of a unique and valuable position, involving a different set of activities.”

1.7.4 Strategy Implementation
Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance…source

1.7.5 Paradigms
Se Krauss, 2005) states paradigm as the underlying assumptions and intellectual structure upon which research and development in a field of inquiry is based.

1.8 Chapter Summary
My study involves assessment of factors determining competitive strategy implementation in SME’S with special focus on Gem Archplans a leading upcoming architectural firm in Kenya. It’s been noted that strategy implementation remains the biggest challenge for good strategy with poor implementation will remain just that a good strategy on paper. Further still SMES in the country constitute over 60% of the economy this sector if developed will be the driving force in the economy. This chapter therefore looks at a nutshell at the whole research overview of the factors that may enhance their strategies success, its purpose as pertains to objectives mentioned, and its significance to the various people the scope of the study as well as the definition of terms. Further it will be looking at chapter two which entail literature review based on the research objectives followed by chapter three which entail the research methodology.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature review undertaken for the study. In specific the section covers how does leadership impact strategy implementation; level of employee’s involvement is required to enhance successful strategy implementation, key role do resources play in strategy implementation, impact of organizational culture on strategy implementation and the chapter summary.

2.2 Impact of Leadership on Strategy Implementation

2.2.1 Strategic Leadership Skills

According to Robbins (2012), leadership is the ability to influence a group toward the achievement of goals. Strategic leadership, on the other hand, is defined as a person’s ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organization (Ireland &Hitt, 2014). Glenn (2011) defines strategic leadership as the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organization, while maintaining its short-term financial stability.

Glenn's (2011) definition is different from Ireland and Hitt’s (2014) in that it explicitly includes the concept of voluntary decision-making, and focuses on the present as well as the future. Glenn (2011) strongly believes that the most important part of strategic leadership is influencing employees to voluntarily make decisions that enhance the organization. Strategic leadership is thus concerned with ensuring the future of the organization through the development and management of people, and ensuring that collectively they are capable of participating in ways that help achieve the organization’s future (Glenn, 2011).

Hagen et al. (1998) describe strategic leadership as an extremely complex and multifunctional form of leadership which requires the ability to accommodate and integrate both external and internal conditions and to manage and engage in complex information processing. The capacity to learn, the capacity to change, and managerial wisdom are thus the essence of strategic leadership (Boal, 2002). First of all, ineffective
leadership is a factor mentioned by almost all researchers as a reason hindering the implementation of strategy. Alexander (2005) found that ineffective coordination of implementation activities was one of the causes of failure. This finding is confirmed by Al-Ghamdi (1998), who performed a similar research in the United Kingdom.

Beer et al (2000) mentions the quality of direction, which describes multiple ways in which senior management can be ineffective. Senior management sometimes bypasses middle management, and directly obtains information from and gives orders to the lower level employees, causing ineffective communication lines in the implementation team. Additionally, this causes a situation in which conflicts are avoided and value-adding discussions on decision-making are lost. Finally, Beer et al (2000) state that leadership in many teams does not make the necessary trade-offs they face during the implementation. Instead, they create vague strategic objectives which do not provide effective direction for implementation.

2.2.2 Firms Vision

According to Hamburger (2000), a vision relates to some futuristic ideal, to some notion of how things could/should be, and can reflect an aspired state of being for an individual, an organization, or a society. It indicates what the organization exists to achieve and what it is willing and not willing to do to achieve it, and it provides a sense of direction and purpose, which inspires people and puts meaning into their lives (Ireland & Hitt, 2014). Ulrich (2003) also states that a vision serves as a unifying focal point of effort and acts as a catalyst for team spirit.

Kotter (2009) view determining a firm's vision as a process of developing a long-term direction, which involves gathering a broad range of data and looking for patterns, relationships and linkages that help to explain things. The process produces or creates a vision and strategies that describe a business, technology and corporate culture futuristically and articulate a feasible way of achieving this future. Glenn (2011) believes that this ability to influence employees to voluntarily make decisions that enhance the organization is the most important part of strategic leadership.

2.2.3 Leadership through Organization Structure

Organizational structure is a means of holding organizational systems together for the realization of the organizational destiny (Friedman & Gyr, 1998). A new or changed
strategy is likely to lead to new or different key activities, competencies, or capabilities, and therefore new or different organizational arrangements are required for the strategy to be implemented successfully (David, 1999; Thompson & Strickland, 1999). A lack of alignment between strategy and structure can thus open the door for implementation and performance problems. Therefore, Thompson and Strickland (1999) advises that when an organization’s present structure is so far out of line with the requirements of a particular strategy that the organization would have to be turned upside down to implement it, the strategy may not be practicable and should not be given further consideration.

Leadership creates the correct organizational structure, which is crucial to enable the organization to implement its strategy. To facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, i.e. employees at all levels, and across all divisions and functions (Hill et al, 2009). Organizational structure determines the departments and functions in an organization, it defines the hierarchy, span of control and reporting relationships, and includes the systems for communication, coordination and integration across these divisions and functions, both vertically and horizontally (Daft, 2001).

First of all, tasks and people need to be grouped in functions. After this, functions can be grouped into divisions to allow the organization to achieve organizational goals effectively and efficiently. Across these divisions and functions authority and responsibilities need to be allocated. A clear hierarchy needs to be defined from the Board of Directors through middle management all the way down to the operational employees. The hierarchy should clarify the span of control that each of the employees has, i.e. the people and tasks they are responsible for and have authority over, (Peters, 2009).

As the organization has been divided into separate functions and divisions, which all together should strive to achieve the same organizational objectives, communication and coordination across these functions and divisions is needed. Through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization (Hill et al, 2009).
2.2.4 Communication

At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 2006), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

In this context, it is recommended that an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to soliciting questions and feedback, the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason (“the why”) behind changed circumstances (Alexander, 2007).

It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. However, one may not misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces active participants in the change process. The way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees’ attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).

2.2.5 Effects of Leadership during Strategy Implementation

Leadership through communication is one of the most important vehicles for successful implementation. First of all, management should inform all employees about the content, meaning of, and reasons for the new strategy. However, they should not only inform the employees, they should also leave room for questions from and discussion with the affected employees. Communication also involves the explanation of new tasks and responsibilities to the affected employees. Throughout the implementation process, communication should flow bottom-up to allow management to monitor the implementation process and determine whether changes to the approach are needed (Alexander, 2014).
The most challenging thing when implementing strategy is the top management’s commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. In some cases top managers may demonstrate poor leadership styles through unwillingness to give energy through approval of budgets, adequate staffing and loyalty to the implementation process. This demonstrable lack of commitment becomes, at the same time, a negative signal for all the affected organizational members (Rapa and Kauffman, 2005). Overall though, it is increasingly acknowledged that the traditionally recognized problems of inappropriate organisational structure and lack of top management backing are the main inhibiting factors to effective strategy implementation (Aaltonen and Ikävalko, 2002).

Aaltonen and Ikävalko recognize the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication” (Aaltonen and Ikävalko, 2002) meanwhile Bartlett and Goshal (2006) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. So if they are not committed to performing their roles, the lower ranks of employees will not be provided support and guidance through encouragement of entrepreneurial attributes.

2.2.6 Strategic Controls

Strategic controls are the formal information-based procedures that strategic leaders and managers use to frame, maintain, and alter pattern of organizational activities (Pearce II and Robinson Jr, 2013). Controls influence and guide work in ways necessary to achieve performance objectives. The effective use of strategic controls by corporate leaders is frequently integrated with appropriate autonomy for the subunits so they can gain competitive advantage in their respective markets (Hagen et al.1998). According to Ireland &Hitt (2014), strategic leaders seek to develop and use a balanced set of strategic and financial controls. Strategic leaders use strategic controls to focus on positive long-term results while pursuing simultaneously the requirement to execute corporate actions in a financially prudent and appropriate manner. Venkatraman and Gering (2000) emphasize that the control system must support the selected strategy and produce behavior with the attributes of both flexibility to adapt to the external environment and congruence to carry out the organization’s strategy.
To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas (Rapa and Kauffman, 2005).

2.3 Impact of Employee’s Involvement on Strategy Implementation

2.3.1 Role of Employees in an Organization

The success of any implementation effort depends on the level of involvement of employees. To generate the required acceptance for the implementation as a whole, the affected employees’ knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Tavakoli and Perks 2001).

Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in strategy formulation. When they are, however, the probability for realizing a smooth targeted and accepted strategy implementation process increases substantially. Research studies indicate that less than 5 percent of a typical workforce understands their organization’s strategy (Kaplan and Norton, 2001). This is a disturbing statistic as it is generally believed that, without understanding the general course of strategy, employees cannot effectively contribute to a strategy implementation.

2.3.2 Employee Involvement in an Organization

To involve employees is an important milestone to make strategy everyone’s everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. The involvement of middle managers helps build consensus for the strategy. A lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals (Van de Ven, 1999). One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. In addition, these
responsibilities are diffused through numerous organizational units (Rapa and Kauffman, 2005) resulting in unclear individual responsibilities in the process.

Cross-functional relations are representative of an implementation effort. This is indeed a challenge, because as already mentioned before organizational members tend to think only in their “own” department structures. This may be worsened by over bureaucracy and can thus end up in a disaster for the whole implementation (Rapa and Kauffman, 2005). To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2005).

2.3.3 Teamwork and Employee Involvement

Teamwork plays an important role within the process of strategy implementation. When it comes down to implementation activities, however, it is often forgotten. It is indisputable; that teams can play an important part to promote the implementation (Drazin and Howard, 1984). To build up effective teams within strategy implementation the Myers Briggs typology can be useful to ascertain person to person differences. Differences in personality can result in serious inconsistencies in how strategies are understood and acted on. Recognizing different personality types and learning how to handle them effectively is a skill that can be taught.

Human resources represent a valuable intangible asset. Latest study research indicates that human resources are progressively becoming the key success factor within strategy implementation. In the past, one of the major reasons why strategy implementation efforts failed was that the human factor was conspicuously absent from strategic planning (Lorange, 1998). First, considerations regarding people have to be integrated into considerations about strategy implementation in general. Second, the individual behavior of these persons is to be taken into account. Individual personality differences often determine and influence implementation. The difference of individuals requires, as a consequence, different management styles. For the purpose of strategy implementation it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments.
2.3.4 Staff training and Strategy Implementation

Human resources represent a valuable intangible asset. Latest study research indicates that human resources are progressively becoming the key success factor within strategy implementation. In the past, one of the major reasons why strategy implementation efforts failed was that the human factor was conspicuously absent from strategic planning (Lorange, 1998). This leads to a dual demand (Rapa and Kauffman, 2005). First, considerations regarding people have to be integrated into considerations about strategy implementation in general. Second, the individual behavior of these persons is to be taken into account. Individual personality differences often determine and influence implementation. The difference of individuals requires, as a consequence, different management styles. For the purpose of strategy implementation, it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments (Rapa and Kauffman, 2005).

The increasing complexity, turbulence and uncertainty of the environment require different and greater knowledge. Modern business requires more and more knowledge and skills that are still inadequately present in the formal school education, i.e. the gap between business requirements and the knowledge acquired at school is growing (Vemic, 2007). In a more and more global, complex and turbulent environment, knowledge is the only reliable source of competitive advantage. Competence is a standardized requirement for an individual to properly perform a specific job. It encompasses a combination of knowledge, skills and behavior utilized to improve performance. More generally, competence is the state or quality of being adequately or well qualified, having the ability to perform a specific role.

Training is the process of imparting knowledge and skills and presents employees or beneficiaries with the skills they need to perform their jobs better (Ashton et al., 1999). It consists of those activities, which are designed to improve individual performance in a currently held job or one related to it. Employee training is said to be any attempt to improve employee performance by increasing the employees’ ability to perform. Buchanan (1994) defines employee training as a planned and continuous effort by management to improve employee competence levels and organizational performance. However, a distinction is made between training and development. Training is short-term
in nature and is usually designed to permit learners to acquire knowledge and skills for their current jobs. Development on the other hand is long term in nature and aimed at developing employees for future job assignments within the organization and to solve a problem.

It is thus aimed at helping employees to do their present jobs effectively (Bach and Sisson, 2000). Training and development programmes are designed to educate employees beyond the requirements of their current position so that they are prepared for a broader and more challenging role in the organization. Training includes in house courses, coaching, seminars, job rotation and professional programmes. The ultimate aim is to enhance the future performance of the organization itself. The general training programme consists of assessing the company’s needs, appraising the employee performance and the actual training itself.

2.4 Role of Resources in Strategy Implementation

2.4.1 Resource-Based View

The resource based view focuses primarily on the resources and capabilities that a company has and only secondarily on the industries/markets in which it operates. The view also posits that all organizations develop unique resources and capabilities, which becomes the ultimate source of competitive advantage. Yet, these resources are not equally found across firms. Under this view the most basic resource is heterogeneity, which assumes that at least some resources and capabilities are different across firms (Barney, 2011). The pioneer on the subject, Penrose (2009), describes better than any other researcher the role resources for the firm. The most salient characteristic of the Resource based perspective is the focus on the firm's internal strengths, a view that is connected, mostly, to the seminal work of Penrose (1959). Further, at the most basic level, the perspective describes the firm in terms of the resources that it integrates: Thus, a firm is more than an administrative unit, it is a collection of resources the disposal of which between different uses and over time is determined by administrative decision, (Penrose, 2009).
2.4.2 Resource Classification

Resources are classified in many ways, but the most common classification is based on three categories: tangible, intangible and capabilities. Grant, (2011) identified six categories. Williamson (2009) identified physical capital resources, human capital resources (Becker, 2004), organizational capital resources, financial resources, technological and reputation. What is more, resources have to possess some requisites if they are meant to be sources of competitive advantages. These traits are offered according to some authors, and from all standpoints, even though resources are sources of competitive advantage yet not all resources provide these advantages. What resources and capabilities do for a firm is that they provide the potential for competitive advantage. Thus, competitive advantage, and particularly sustainable competitive advantage; as depends on the nature, type of resources, and the capabilities that a company has, how these have been amassed and how they are used and deployed. The Resource based view also claims that resources, as such, are tradable and thus transferable and imitable and that instead, capabilities are unique and the source of competitive advantage. Also, those resources must have some capacity to generate profits or prevent losses. If a firm is to obtain high levels of performance and sustained competitive advantage, it needs to possess resources that are heterogeneous, difficult to create, substitute or imitate.

Moreover, studies by Hofer and Schendel (2008), under the Resource based view (RBV) suggest that the source of competitive advantage is rooted in a firm resources and capabilities. Barney (2011) also found that resources include, among others, capital equipment, skills of individual employees, reputation, and brand names. Most authors have reported that for either of these resources to exist, managerial capabilities need to exist. To clarify, Love and McGee (2009) differentiate capabilities from resources in the sense that no monetary value can be assigned to them, as is the case of tangible resources.

However, still, adequate explanations have not been well developed to explain why some businesses succeed where others fail and how managers choose one strategy over another. Dierickx & Cool, (2009), and Barney (2006) sum up that, for firms, the early choices of resources stocks and shape future choices and define strategic positioning of a firm. Brush and Green (2008) are of the opinion, that in spite of the pivotal importance of resource choices, comparatively little empirical research investigates resource priorities or choices and even more, how they change over time.
2.4.3 Role of Resource in Strategy Implementation

Sufficient resources are another crucial factor in strategy implementation. First, because of the large scope of most strategic decisions, sufficient funding is needed for the implementation process. People are the second important resource. Personnel with the right skills for the new strategic decisions should be involved in the implementation. Furthermore, these employees should have enough time available for the implementation. They should either be freed from other tasks or they should understand the priorities given to their different tasks. Enough time should, in general, be allocated to the implementation process (Higgins, 2005; Beer et al, 2000; Hambrick et al, 2009; Alexander, 2005).

Lack of resources, i.e. time and people, is another reason for failure of strategy implementation. For one, implementing strategy, in most cases, took more time than expected or planned beforehand (Al-Ghamdi, 2008; Alexander, 2005). In the research of Alexander (2005) some executives even stated that top management underestimates the time needed to complete a strategy implementation. Time is pressured even more if priorities are not set correctly. It should therefore be clear to all employees involved in the implementation, which activities have most priority for execution. This includes implementation activities but also regular work and other projects. If priorities are not defined properly, it could either cause loss of attention for the strategy implementation or loss of attention for the regular work and other projects. Both could lead to problems in the organization (Beer et al, 2000; Corboy et al, 2009; Al-Ghamdi, 2008; Alexander, 2005). The lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems (Beer et al, 2000; Al-Ghamdi, 2008; Alexander, 1985). Furthermore, employees do not always receive the correct training and instruction to be able to perform their work, which may have changed due to the newly implemented strategy (Beer et al, 2000; Al-Ghamdi, 2008).

2.4.4 Innovativeness and Strategy Implementation

Technology innovation is of vital importance for firms to survive and develop in a market under intense competition. A firm's decision-making of technology innovation strategy involves two phases. Firstly, a firm decides whether to innovate. With the influence of market structure, scale, intensity of competition, and other factors, different firms show clear distinctions in their motivation to innovate; many researches have centered on this
Secondly, if a firm chooses to innovate, it has to decide how to organize its innovation. The specific definition of technology innovation strategy equals the second phase of this decision-making, that is, the choice over innovation path.

Drucker (1958) and probably even someone before him – distinguished between doing the right things and doing things right. When it comes to strategic management, we can reformulate this distinction to, on the one hand, market the right products/services on the right markets and, on the other hand, develop, produce, and distribute the products/services in the right way. It is intuitively clear that a company needs to focus on both issues in the long run while at the same time maintaining a dual focus on business development and operational effectiveness. The foundation for our work on strategic innovation is that we think of strategy as: Change of the position of the company in the market place at the same time as exploiting the current position. The environment consists of both present and potential customers as well as a large number of different players, i.e. it is the entire environment of the company that needs to be taken into account in strategic management, (Al-Ghamdi, 2008).

The company itself should be seen as a holistic entity consisting of business and resources. This means that the strengths and weaknesses of the company should be described in the language of “bundles of resources” or competencies rather than departments or functional units. In consequence, the potential of the existing resources to create value end different market places than the current one (while still creating value in the current situation!) becomes an important consideration in strategic management. One may speak of a competence readiness that the company possesses and is able to apply by reorienting its business foundation towards new market places, i.e. strategic innovation (Ye and Qiu, 2004).

As argued before, e.g. by Levitt (1960) in his seminal paper “Marketing myopia”, companies should define their business in a much broader sense than by simply looking at current products. Any business fulfills a number of needs and wants of its customers and can act strategically with much more than its current products. Hence, we may define a business as the combination of a business idea, a business concept, and a business system.

Organizations need to be more innovative and think proactively in their strategic management. At least, this has rapidly become the mantra of the new decade among
managers and in academia. The well-known work on innovation and technology management has gained newfound or perhaps re-found respectability and has begun to influence the way we think about strategic management as a discipline (Drejer, 2002). On top of that, a new set of publications has begun to emerge. These publications take their starting-point in the strategic realm rather than the innovation realm and, hence, focus on strategy and innovation or strategic innovation. For a recent example of such a fashionable publication are Johnston and Bate (2003). This and other similar books – and the thinking behind strategic innovation as a concept – is based on three pillars (Drejer and Printz, 2004). First is the recognition by many that strategic managers need to consider both strategies for tomorrow and strategy for today in order to stay successful over time. This is now state-of-the-art knowledge within the field of strategic management – following the work of people such as Hamel and Prahalad (1994) and the 1996 acknowledgement of Porter (1996) that strategy needs to consider both operational effectiveness and differentiation.

2.5 Impact of Organizational Culture on Strategy Implementation

One of the major challenges in strategy implementation appears to be more cultural and behavioural in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment (Aaltonen and Ikävalko, 2002). Corboy and O'Corrbui (2009), meanwhile, identify the deadly sins of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; difficulties and obstacles not acknowledged, recognised or acted upon; and ignoring the day-to-day business imperatives. Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

2.5.1 Organization Culture through Leadership

Organisational culture refers to the leadership style of managers how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees). In
Collaborative Model of strategy implementation, organizations have both a strong culture and deep rooted traditions. The challenges of successful implementation results from, lack of cultivation of strong cultural values to meet the changing organisational needs. The distinction between “thinkers” and “doers” begins to blur but does not totally disappear.

In organizations adopting the cultural model that emphasizes a lower level employee participation in both strategy formulation and implementation there is separation of “thinkers” and “doers”. It seeks to implement strategy through the infusion of corporate culture throughout the firm. The cultural model contradicts and challenges the basic objectives from the economic perspective of a firm (Parsa, 2009). A “clan-like” (Ouchi, 2010) organisation is expected to prevail, where a powerful culture results in employees aligning their individual goals and behaviours with those of the firm. However, a high level of organisational slack is needed to instil and maintain a cultural model. This model has several limitations: it assumes well-informed and intelligent participants; firms with this model tend to drift and lose focus; cost of change in culture often comes at a high price; increased homogeneity can lead to a loss of diversity, and creativity consequently (Parsa, 2009).

A fundamental part of managing strategy implementation is the organizational culture. Hill et al (2009) define organizational culture as the “specific collection of values, norms, beliefs and attitudes that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization”. Although not as tangible as strategic control systems and organizational structure, culture is one of the strongest elements of control in an organization. A strong organizational culture enhances integration and coordination within the organization. Culture gives members of the organization the ability to develop a collective identity, and guides them in their daily business relationships, execution of tasks, communication and decision-making.
2.5.2 Organization Value and Strategy Implementation

If propagated correctly, organizational values will become part of the individual’s values through which the individual will follow them unconsciously. To create a strong organizational culture, it is important that leadership promotes what the organization believes is correct behavior. Within the values of the organization, strong emphasis should be given to ethical behavior. A code of ethics can help management to communicate the ethical behavior they expect from everybody in the organization (Hill et al, 2009; Daft, 2001).

A beliefs system as defined by Simons (2005) is “the explicit set of organizational definitions that senior managers communicate formally and reinforce systematically to provide basic values, purpose and direction for the organization”. A beliefs system controls the core values of the organization, which are linked to the business strategy. Such a system is created through symbolic use of information, e.g. inspirational leadership. It attempts to create awareness and understanding of the organization’s core values and should help employees to respond to problems they face during the process of strategy implementation.

One of the major challenges in strategy implementation appears to be more cultural and behavioural in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment (Aaltonen and Ikävalko, 2002). Corboy and O’Corrbui (2009), meanwhile, identify the deadly sins of strategy implementation which involves a lack of understanding of how the strategy should be implemented, customers and staff not fully appreciating the strategy; difficulties and obstacles not acknowledged, recognized or acted upon, and ignoring the day-to-day business imperatives. Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

Change to organizations implies persuading people to abandon their existing beliefs and values and the behaviors that stem from them and adopt new ones (Sadler, 2008). Studies of strategic change illustrate its complexity: the political battles, the cultural barriers, the inertia of organization structures, and systems and the bounded rationality of managers (Pettigrew, 2005). This complexity and several potential problems associated with the
strategy itself, the way it was developed, or the management of the change process makes realizing strategy an extremely difficult task (Pettigrew, 2005). The challenges presented in managing change are very similar to those of implementing strategy. Pettigrew (2005) studies on change used by various researchers (De Wit & Meyer, 2004; Okumus, 2001) to categorize implementation variables.

Due to the lack of literature in strategy implementation, change management theory is useful in providing a theoretical base for this research. As Pryor et al. (2008) analyze in “Challenges Face Change Management Theories and Research” there are several aspects in change management. Lewin's Freeze Phases explains change involving a move from one static state, via a state of activity, to another static status quo. All this via a three-stage process of managing change: unfreezing, changing and refreezing. The Kübler-Ross grief cycle maps the emotional responses that people are likely to experience if or when change is announced as a major step-change. This model is very similar to "The change roller coaster". The Prosci ADKAR model is simple and practical and is suited to incremental change i.e. change within business as usual - awareness of the need for change, desire to make the change happen, knowledge about how to change, ability to implement new skills and behaviors, reinforcement to retain the change once it has been made. Kotter's eight-step strategy for change management consists of: establish a sense of urgency; create the guiding coalition; develop a vision and strategy; communicate the change vision; empower employees for broad-based action; generate short-term wins; consolidate gains and produce more change; and anchor new approaches in the culture.

2.6 Chapter Summary

The chapter presented a review of literature by various writers on the research questions. Factors affecting Competitive Strategy Implementation in Small Medium Enterprises (SME’S) with special focus on Gem Arch plans. Specifically, literature review has covered how leadership impact strategy implementation, what level of employee’s involvement is required to enhance successful strategy implementation, what key role do resources play in strategy implementation and how organizational culture impact on strategy implementation. The next chapter focuses on the research methodology. It also focuses on the population; describe the data collection instruments and methods used. It also gives details of the research procedures and data presentation methods will be used.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a way to systematically solve a research problem by logically adopting various steps (Scridhar, 2008). It is the framework underlying the strategy of a research. This chapter presents the methodology, which was used to carry out the study, organized by the research questions. This study present the following; research design, the population of the study, the sample and sampling techniques, instruments of data collection and method for analyzing the data. The suitable methodology in this study gives the guidelines for information gathering and processing.

3.2 Research Design

Research design is the basic plan that indicates an overview of the activities that are necessary to execute the research project. This research problem was studied through the use of a descriptive research design. According to Sekaran (2003) a descriptive study is undertaken to ascertain and be able to describe the characteristics of the variables of interest in a situation. Robson (2002) argued that the objective of descriptive research is to portray an accurate profile of persons, events or situations. Descriptive study is therefore, critical in drawing conclusions and describing characteristics associated with the subject population from which the sample is drawn, it discovers and measures cause and effect relationships among variables (Cooper and Schindler, 2001) This study therefore was able to generalize the findings of the enterprises. This method was concerned the intense investigation of problem solving situations in which problems are relevant to the research problem.

The research project focused on assessing factors determining competitive strategy implementation in small medium enterprises, with special reference to Gem Arch Plans. The underlining concept was to select several targeted cases where an intensive analysis identified the possible alternatives for solving the research questions on the basis of the existing solution applied in the selected case study. The study attempted to describe and define a subject, often by creating a profile of group of problems (Cooper & Schindler, 2006). Thus, Gem Arch Plans focus of the study which provided a natural setting on
which data was collected. The independent variable in this study is leadership, employee’s involvement, resources and organizational culture. The dependent variables in this study are the strategy implementation.

3.3 Population and Sampling Design

3.3.1 Population

Target population in statistics is the specific population about which information is desired. According to Kombo & Tromp (2006) a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated generalize the results. This definition assumed that the population is not homogeneous. There are 48 employees in the organization who are stratified as top management, middle level management, low level management and employees.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>Middle level management</td>
<td>4</td>
<td>8.3</td>
</tr>
<tr>
<td>Low level management</td>
<td>8</td>
<td>16.7</td>
</tr>
<tr>
<td>Employee</td>
<td>35</td>
<td>72.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Gem Arch Plans, 2014*

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Cooper and Schindler (2003) have defined a sampling frame as a list of elements from which sample is actually drawn and is closely related to the population. Kothari 2006 also defines sampling frame as a list of names of all items of a population. He emphasized that a sampling frame should be complete and correct list of population members only. For this study the sample frame were all the employees of Gem Archplans. Since the organization contains small number of employees there was no need to obtain a sample from population (Kothari, 2006). Based on that, all members of the organization fully participated in this exercise.
3.3.2.2 Sampling Technique

This research used a census method whereas all the employees involved in this study. According to Kothari (2006) use of census ensures fair representation of findings from different department and sections of the organization. The decision to use a census was birthed by the fact that the organization is very small.

3.3.2.3 Sample Size

Kothari (2006) defines sample size as the number of items to be selected from the population. The size of the sample should neither be excessively large nor too small. It ought to be ideal. An ideal sample is one which fulfills the requirement of efficiency representativeness, flexibility and reliability.

The sampling at least 30 elements is recommended by Mugenda & Mugenda (2008). The sample size for this study was a census because the population of employees in the organization is only forty eight thus providing adequate and accurate information necessary for the research. The employee’s distribution is as shown on Table 3.2.

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Middle level management</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Low level management</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Employee</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

Source: Author, 2014

3.4 Data Collection Methods

According to Kothari (2006) a data collection method refers to the means the researcher used to gather data. The collection of data is a crucial operation in the execution of good research design hence quality of the research rests on the quality of the data. Stake (1995) and Yin (2009) identifies six sources of evidence in case studies. The works of these being from documents, archival records, interviews, direct observation, participant observation and physical artifact. This study collected both primary and secondary data. Primary data is gathered and generated for the project at hand directly from respondents mainly using questionnaires.
With regard to assessing factors determining competitive strategy implementation in small medium enterprises, with special reference to Gem Arch Plans, the study will use a survey questionnaire administered to each member of the sample population. The questionnaire had both open and close-ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. The closed ended questions were used to test the rating of various attributes and this helps in reducing the number of related responses in order to obtain more varied responses. The open-ended questions provided an additional information that had not been captured in the close-ended questions. The questionnaire were carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study.

3.5 Research Procedures

The study administered the questionnaire individually to all respondents of the study. The questionnaires developed by the researcher was in line with the research questions. It was pre-tested to ascertain the suitability of the tool before actual administration. Pre testing was done by administering the questionnaire to five randomly selected respondents from the sample size of forty eight respondents. This enabled the researcher fine tune the questionnaire for objectivity and efficiency of the process. To improve the response rate and comply with some of the organizations internal policies, a cover letter explaining the reasons for the research and a guarantee of the respondent’s confidentiality was provided. The refined questionnaire will then be distributed to the population during the official working hours. The study exercised care and control to ensure all questionnaires issued to the respondents are received and achieve this, the study maintained a register of questionnaires, which were sent, and which was received. The questionnaire were administered using a drop and pick later method.

Cronbach’s alpha methodology, which is based on internal consistency were used. Cronbach’s alpha measures the average of measurable items and its correlation. These were in line with a qualitative research design methodology employed in this research project.
3.6 Data Analysis Methods

Cooper and Schindler (2000) describes data analysis as the process of editing and reducing accumulated data to a manageable size, developing summaries, seeking for patterns and analyzed using statistical methods. In this study quantitative analysis technique was used. Questionnaires collected were coded according to each of the variables of the study to minimize errors and assure accuracy during the process of analysis. The data gathered was edited and cleaned in order to detect errors and omissions that could interfere with the accuracy of the data. Quantitative data was then be analyzed by the use of descriptive statistics using SPSS (Version 22) and presented through percentages, means, standard deviations and frequencies. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of SPSS (Version 22) to communicate research findings. Content analysis was used to test data that is qualitative in nature or aspect of the data collected from the open ended questions. The information was displayed by use of bar charts, graphs and pie charts and in prose-form.

3.7 Chapter Summary

This chapter has described the research methodology used in this study including the population, sampling design and size, data collection and analysis methods. In the data analysis and presentation, both quantitative and qualitative methods of analysis were used. The population consisted of employees of small and medium enterprise. The data was collected using a structured questionnaire designed by the researcher. This questionnaire were pilot tested with a sample of 5 respondent’s. The corrections and changes arising from the pre testing was then be made and the actual survey carried out.

Chapter four presents the results and findings of the data collection through administration of the questionnaire. Furthermore the brief descriptions of each of the research questions were presented based on key percentages.
CHAPTER FOUR

4.0 DATA ANALYSIS, INTERPRETATIONS AND PRESENTATION

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive statistics have been used to discuss the findings of the study. The study targeted a sample size of 46 respondents from which 45 filled and returned the questionnaires making a response rate of 97.8 %. This response rate was satisfactory to make conclusions for the study. The response rate was representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to excellent.

4.2 Background Information

Respondents were requested to indicate their job designation; from the research findings the study established that, respondents help position of departmental heads, supervisors, managers and junior staff.

![Gender of the Respondent](image)

Figure 4.1: Gender of the Respondent

The study requested the respondents to indicate their gender category, from the research findings, the study revealed that majority of the respondents as shown by 53.4% were males whereas 46.6% of the respondents were females. This implies that both genders were fairly engaged in this research and therefore the findings of this research did not suffer from gender bias.
The study requested the respondents to indicate their highest level of education achieved, from the research findings, the study revealed that most of the respondents as shown by 48.6% of the respondents held bachelor’s degree certificates, 36.1% of the respondents held diploma certificates 15.3% the respondents held post graduate degrees. This implies that, respondents were well educated and that they were in a position to respond to research questions with ease.

The requested the respondent to indicate the number of years they had served in the organization from the research findings, most of the respondents as shown by 36.1% indicated to have served in the organization for a period of 5 to 10 years, 28.3% of the respondents indicated to have served the organization for more than 10 years, 21.1% of the respondents indicated to have served the organization for a period of 3 to 5 years, whereas 14.5 % the respondents indicated to have served the organization for a period of
1 to 3 years. This implies that most of the respondents worked for a considerable period of time and therefore they were in a position to give credible information relating to this study.

4.3 Impact of Leadership on Strategy Implementation

Table 4.3: Effects of Leadership on Strategy Implementation

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>40</td>
<td>88.9%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The study sought to establish weather leadership affects strategy implementation, from the research findings majority of the respondents as shown by 88.9% were of the opinion that leadership affects strategy implementation whereas 11.1% of the respondents were of the contrary opinion, this implies that leadership affects strategy implementation

Table 4.4: Extent to which leadership impacts strategy implementation

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great extent</td>
<td>6</td>
<td>13.3%</td>
</tr>
<tr>
<td>Great extent</td>
<td>32</td>
<td>71.1%</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>5</td>
<td>11.1%</td>
</tr>
<tr>
<td>little extent</td>
<td>2</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The study sought to establish the extent to which leadership affects strategy implementation, from the research findings, majority of the respondents as shown by 71.1% were of the opinion that leadership impacts strategy implementation to a great extent, 13.3% of the respondents indicated to a very great extent 11.1% of the respondents indicated to a moderate extent whereas 4.1% of the respondents indicated to a little extent, this implies that leadership affects strategy implementation to a great extent.
Table 4.5: Statements Relating to Effects of Leadership on Strategy Implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of alignment between strategy and structure can thus open the door</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>37</td>
<td>5</td>
<td>4.00</td>
<td>0.35</td>
</tr>
<tr>
<td>for implementation and performance problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership creates the correct organizational structure, which is crucial</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>35</td>
<td>6</td>
<td>3.93</td>
<td>0.33</td>
</tr>
<tr>
<td>to enable the organization to implement its strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To facilitate the achievement of the strategic and organizational</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>28</td>
<td>12</td>
<td>4.09</td>
<td>0.26</td>
</tr>
<tr>
<td>objectives, organizational structure coordinates and integrates the tasks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>executed by all employees in the organization</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>30</td>
<td>10</td>
<td>4.07</td>
<td>0.27</td>
</tr>
<tr>
<td>Through integrating mechanisms, such as direct contact, liaison roles and</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>30</td>
<td>10</td>
<td>4.07</td>
<td>0.27</td>
</tr>
<tr>
<td>cross functional or divisional teams, information about activities, ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and problems are efficiently spread across the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership through communication is one of the most important vehicles</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>27</td>
<td>14</td>
<td>4.16</td>
<td>0.25</td>
</tr>
<tr>
<td>for successful implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study sought to determine the extent to which respondents agreed with the above statements reacting to effects of leadership on strategy implementation. From the research findings, majority of the respondents agreed that; leadership through communication is one of the most important vehicles for successful implementation as shown by a mean of 4.16, to facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization as shown by a mean of 4.09, through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization as shown by a mean of 4.07, a lack of alignment between strategy and structure can thus open the door
for implementation and performance problems as shown by a mean of 4.00, leadership creates the correct organizational structure, which is crucial to enable the organization to implement its strategy as shown by a mean of 3.93. The study also established that if management fails to provide able leadership, informal leadership will develop which will eventually regulate the behavior of the employees and may come into conflict with managerial leadership therefore Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals, the findings above findings are in line with the findings by Glenn's (2011) that to facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization.

4.4 Impact of Employee’s Involvement on Strategy Implementation

Table 4.6: Effects of employee’s involvement on Strategy Implementation

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>91.1</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>8.9</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought to establish the weather employee’s involvement affects strategy implementation, from the research findings majority of the respondents as shown by 91.1% were of the opinion that employee’s involvement affects strategy implementation whereas 8.9% of the respondents were of the contrary opinion, this implies that employee’s involvement affects strategy implementation.

Table 4.7: Extent to which employee’s involvement affects strategy implementation

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great extent</td>
<td>13</td>
<td>28.9</td>
</tr>
<tr>
<td>Great extent</td>
<td>27</td>
<td>60.0</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>4</td>
<td>8.9</td>
</tr>
<tr>
<td>little extent</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought to establish that e extent to which employee’s involvement affects strategy implementation, from the research findings, majority of the respondents as
shown by 60% were of the opinion that employee’s involvement affects strategy implementation to a great extent, 28.9% of the respondents indicated to a very great extent 8.9% of the respondents indicated to a moderate extent whereas 2.2% of the respondents indicated to a little extent, this implies that employee’s involvement affect strategy implementation to a great extent.

Table 4.8: Statements Relating to Effects of Employee’s Involvement on Strategy Implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The success of any implementation effort depends on the level of involvement of employees</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>33</td>
<td>7</td>
<td>3.91</td>
<td>0.30</td>
</tr>
<tr>
<td>To generate the required acceptance for the implementation as a whole, the affected employees’ knowledge must already be accounted for in the formulation of the strategy</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>30</td>
<td>8</td>
<td>3.84</td>
<td>0.27</td>
</tr>
<tr>
<td>To involve employees is an important milestone to make strategy everyone’s everyday job</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>27</td>
<td>12</td>
<td>4.02</td>
<td>0.24</td>
</tr>
<tr>
<td>The involvement of middle managers helps build consensus for the strategy.</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>25</td>
<td>15</td>
<td>4.18</td>
<td>0.24</td>
</tr>
<tr>
<td>A lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>22</td>
<td>19</td>
<td>4.27</td>
<td>0.23</td>
</tr>
<tr>
<td>Teamwork plays an important role within the process of strategy implementation</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>32</td>
<td>10</td>
<td>4.11</td>
<td>0.30</td>
</tr>
<tr>
<td>it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>25</td>
<td>13</td>
<td>4.02</td>
<td>0.22</td>
</tr>
</tbody>
</table>

The study sought to determine the extent to which respondents agreed with the above statements reacting to effects of employee’s involvement on strategy implementation. From the research findings, majority of the respondents agreed that; a lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals as shown by a mean of 4.27, the involvement of middle managers helps build
consensus for the strategy as shown by a mean of 4.18, teamwork plays an important role within the process of strategy implementation as shown by a mean of 4.11, it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments, to involve employees is an important milestone to make strategy everyone’s everyday job as shown by a mean of 4.02 in each case, the success of any implementation effort depends on the level of involvement of employees as shown by a mean of 3.91, to generate the required acceptance for the implementation as a whole, the affected employees’ knowledge must already be accounted for in the formulation of the strategy as shown by a mean of 3.84, the above findings concurs with the study findings by van de ven, (1999) a lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals.

4.5 Role of Resources in Strategy Implementation

Table 4.9: Effects of Resources on Strategy Implementation

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>68.9</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>31.1</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought to establish the weather resources plays a vital role in strategy implementation, from the research findings, majority of the respondents as shown by 68.9% indicated that resources played vital role in strategy implementation whereas 31.1% of the respondents were of the contrary opinion; this implies that resources do play a vital role in strategy implementation.

Table 4.10: Extent to Which Resources Affects Strategy Implementation

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great extent</td>
<td>13</td>
<td>28.9</td>
</tr>
<tr>
<td>Great extent</td>
<td>23</td>
<td>51.1</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>7</td>
<td>15.6</td>
</tr>
<tr>
<td>little extent</td>
<td>2</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>
The study sought to establish the extent to which resources played a vital role in strategy implementation. From the research findings, majority of the respondents as shown by 51.1% were of the opinion that resources affects strategy implementation to a great extent, 28.9% of the respondents indicated to a very great extent 15.6% of the respondents indicated to a moderate extent whereas 4.4% of the respondents indicated to a little extent, this implies that resources affect strategy implementation to a great extent.

Table 4.11: Statements Relating to Effects of Resources on Strategy Implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The source of competitive advantage is rooted in a firm resources and capabilities</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>23</td>
<td>19</td>
<td>4.27</td>
<td>0.25</td>
</tr>
<tr>
<td>Sufficient resources are crucial factor in strategy implementation</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>31</td>
<td>13</td>
<td>4.24</td>
<td>0.30</td>
</tr>
<tr>
<td>Lack of resources, like time and people, is a key reason for failure of strategy implementation</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>27</td>
<td>15</td>
<td>4.20</td>
<td>0.26</td>
</tr>
<tr>
<td>The lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>22</td>
<td>17</td>
<td>4.13</td>
<td>0.22</td>
</tr>
<tr>
<td>Strategy implementation depends on resources and competencies possessed by the firm</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>29</td>
<td>13</td>
<td>4.18</td>
<td>0.27</td>
</tr>
</tbody>
</table>

The study sought to determine the extent to which respondents agreed with the above statements reacting to effects of resources on strategy implementation. From the study findings, majority of the respondents agreed that; the source of competitive advantage is rooted in a firm resources and capabilities as shown by a mean of 4.27, sufficient resources are crucial factor in strategy implementation as shown by a mean of 4.24, lack of resources, like time and people, is a key reason for failure of strategy implementation
as shown by a mean of 4.20, strategy implementation depends on resources and competencies possessed by the firm as shown by a mean of 4.18, the lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems as shown by a mean of 4.13, the study above findings are in line with the findings by Penrose, (2009). Strategy implementation depends on resources and competencies possessed by the firm

4.6 Impact of Organizational Culture on Strategy Implementation

Table 4.12: Effects of Organizational Culture on Strategy Implementation

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39</td>
<td>86.7</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought to establish the weather organizational culture strategy implementation, from the research findings, majority of the respondents as shown by 86.7% were of the opinion that organizational culture plays vital role in strategy implementation whereas 13.3% of the respondents were of the contrary opinion; this implies that organizational culture affects strategy implementation.

Table 4.13: Extent to which resources affects strategy implementation

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great extent</td>
<td>14</td>
<td>31.1</td>
</tr>
<tr>
<td>Great extent</td>
<td>25</td>
<td>55.6</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>5</td>
<td>11.1</td>
</tr>
<tr>
<td>little extent</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought to establish that extent to which organizational culture affects strategy implementation, from the research findings, majority of the respondents as shown by 55.6% were of the opinion that organizational culture affects strategy implementation to a great extent, 31.1% of the respondents indicated to a very great extent, 11.1% of the respondents indicated to a moderate extent whereas 2.2% of the respondents indicated to
a little extent, this implies that organizational culture affects strategy implementation to a great extent.

Table 4.14: Statements relating to effects of organizational culture on strategy implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategies require &quot;linkage&quot; both vertically and horizontally. Vertical</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>29</td>
<td>13</td>
<td>4.18</td>
<td>0.27</td>
</tr>
<tr>
<td>linkages establish coordination and support between corporate, divisional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and departmental plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthy competition among employees is one of the results of a shared</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>27</td>
<td>15</td>
<td>4.22</td>
<td>0.26</td>
</tr>
<tr>
<td>organizational culture.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidelines contribute to organizational culture; They provide employees</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>28</td>
<td>13</td>
<td>4.09</td>
<td>0.26</td>
</tr>
<tr>
<td>with a sense of direction and expectations that keep employees on task.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The culture of an organization represents certain predefined policies</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>35</td>
<td>7</td>
<td>4.04</td>
<td>0.33</td>
</tr>
<tr>
<td>which guide the employees and give them a sense of direction at the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>workplace.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization culture brings all the employees on a common platform.</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>30</td>
<td>14</td>
<td>4.29</td>
<td>0.29</td>
</tr>
<tr>
<td>It is essential for the employees to adjust well in the organization</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>32</td>
<td>8</td>
<td>4.02</td>
<td>0.29</td>
</tr>
<tr>
<td>culture for them to deliver their level best.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture of the organization enables the organization to extracts the</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>36</td>
<td>6</td>
<td>4.04</td>
<td>0.34</td>
</tr>
<tr>
<td>best out of each team member.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A shared organizational culture helps to Organizational culture helps to</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>31</td>
<td>10</td>
<td>4.04</td>
<td>0.29</td>
</tr>
<tr>
<td>keep employees motivated and loyal to the management of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employees of different demographics.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational culture helps to keep employees motivated and loyal to</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>25</td>
<td>18</td>
<td>4.31</td>
<td>0.26</td>
</tr>
<tr>
<td>the management of the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The study sought to establish the extent to which respondents agreed with the above statements reacting to effects of organizational culture on strategy implementation. From the study findings, majority of the respondents agreed that; Organizational culture helps to keep employees motivated and loyal to the management of the organization as shown by a mean of 4.31, the organization culture brings all the employees on a common platform as shown by a mean of 4.29, healthy competition among employees is one of the results of a shared organizational culture as shown by a mean of 4.22, strategies require "linkage" both vertically and horizontally.

Vertical linkages establish coordination and support between corporate, divisional and departmental plans as shown by a mean of 4.18, guidelines contribute to organizational culture; they provide employees with a sense of direction and expectations that keep employees on task as shown by a mean of 4.09, the culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace, culture of the organization enables the organization to extracts the best out of each team member, a shared organizational culture helps to unite employees of different demographics as shown by a mean of 4.04 in each case, it is essential for the employees to adjust well in the organization culture for them to deliver their level best as shown by a mean of 4.02. The study also established that In order for strategy to receive sustained support, it must be aligned with organizational culture.

4.7 Chapter Summary

The chapter presented the results of the survey. The data obtained from the survey was analyzed using descriptive statistics. The study found that leadership, employee’s involvement, allocation of resources and organizational culture influences strategy implementation. The next chapter discusses the major findings of the study, major conclusions drawn and areas for further research.
CHAPTER FIVE

5.0 SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study, the study sought to determine how does leadership impact strategy implementation, the role of employee’s involvement in successful strategy implementation, the role of resources in strategy implementation and to ascertain whether organizational culture impact on strategy implementation.

5.2 Summary of the Findings

The major purpose of the study was to determine the factors affecting competitive strategy implementation in Small Medium Enterprises (SME’S) with special focus on Gem Arch plans. The study was guided by the following research questions. How does leadership impact strategy implementation, what level of employee’s involvement is required to enhance successful strategy implementation, what key role do resources play in strategy implementation and how does the organizational culture impact on strategy implementation.

The study used Census research design. The reason of using census is that the population of employees at Gem Arch plans is forty eight. There is no need to obtain sample from a population if the size of population is not big enough. Use of census ensures fair representation of findings from different departments and sections of the organization. Well-structured questionnaire were used in data collection. Pilot questionnaires were distributed to five randomly selected employees to aide in criticizing the questionnaire prior the actual survey. The data collected was collected using questionnaire and analysed using descriptive and content analysis with the help of Statistical Package for Social Science (SPSS) tool. The data then is presented by use of Charts, Graphs and tables.

From the finding, the study found out that leadership affects strategy implementation to a great extent. The study found that various aspect of leadership affects strategy implementation.
The study established that, employee’s involvement is required to enhance successful strategy implementation within an organization; the study also found that respondent agreed that various aspect employee’s involvement affects strategy implementation. From the research findings majority of the respondents as shown by 51.1% were of the opinion those resources affects strategy implementations to a great extent. This is an indication that resources are required to enhance successful strategy implementation within an organization.

The study finally revealed that organizational culture affects strategy implementation to a great extent as shown by 55.6 percent. This is a clear indication that organizational culture has a great influence on successful implementation of strategies.

5.3 Discussion

5.3.1 Impact of Leadership on Strategy Implementation

The study established that leadership affects strategy implementation to a great extent, leadership through communication is one of the most important vehicles for successful implementation, to facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization, a lack of alignment between strategy and structure can thus open the door for implementation and performance problems these findings are in line with the findings by Alexander (2005) who found that ineffective coordination of implementation activities was one of the causes of failure.

The study further revealed that leadership creates the correct organizational structure, which is crucial to enable the organization to implement its strategy. the study also established that if management fails to provide able leadership, informal leadership will develop which will eventually regulate the behavior of the employees and may come into conflict with managerial leadership therefore Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The study also established that potential reasons for the failures in strategy execution are vast and will include: Lack of knowledge of strategy and the strategy process; no commitment to the plan; the plan was not communicated effectively; people are not measured or
rewarded for executing the plan; the plan is too abstract, people can’t relate it to their work; people are not held accountable for execution; senior management does not pay attention to the plan; reinforces, such as culture, structure, processes, IT systems, management systems and human resource systems, are not considered, and/or act as inhibitors; people are driven by short-term results. The study further found reasons related to why strategic plan implementation failed and they included motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. These findings goes hand in hand with the findings by Ram Charan (2003) in his research on implementation problems notes that “ignoring to anticipate future problems” hinders successful strategy execution

5.3.2 Employee’s Involvement

They revealed that employee’s involvement affects strategy implementation to a great extent, lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals, the involvement of middle managers helps build consensus for the strategy, the study also revealed that teamwork plays an important role within the process of strategy implementation, it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments these findings are in line with the findings by Rapa and Kauffman, (2005) that in order to avoid power struggles between departments and within hierarchies. It is critical that everyone on the team understands and agrees upon the details of the plan. Management must make the commitment to stay focused on the agreed upon plans and should only make significant changes to the plan after careful consideration on the overall implications and consequences of the change.

The organization should maintain a balance between ongoing business activities and working on new strategic initiatives. That is, that problems with implementation often occur when companies concentrate on new strategy development and in the process forget their main line of business that underlie within previously formulated business strategies. Nickols (2000) one should create a plan with clear assignments of responsibilities regarding detailed implementation activities, to involve employees is an important milestone to make strategy everyone’s everyday job in each case, the success of any implementation effort depends on the level of involvement of employees, to generate the required acceptance for the implementation as a whole, the affected employees’
knowledge must already be accounted for in the formulation of the strategy, the above findings concurs with the research findings by (Van de Ven, 1999) that lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals.

Organizations that have a culture that supports the employee, maintains open communication, collaboration and encouragement have higher employee involvement (Shadur, Kienzle, & Rodwell, 1999). The research outcomes showed that support and commitment are key to providing an organizational climate that encourages communication and participation. An organization that does not have a culture that encourages involvement will have to recognize the need to plan for employee involvement programs within the implementation strategy. Organizational culture is more of an influencing factor when it comes to employee involvement than structure.

These findings in this study supports Brannen’s (2005) who unearthed another significant obstacle to effective strategy implementation namely, “failing to Empower or give people more freedom and authority to execute.” The further support the findings by Welbourne (2005) observations of items on “what’s getting in the way of execution” point to “habit and past experience reflects on new strategy” as another factor that could affect strategy implementation.

5.3.4 Effects of employee’s involvement on Strategy Implementation

The established that resources do play a vital role in strategy implementation; the source of competitive advantage is rooted in a firm resources and capabilities, sufficient resources are crucial factor in strategy implementation, lack of resources, like time and people, is a key reason for failure of strategy implementation, strategy implementation depends on resources and competencies possessed by the firm,. These finding concur with studies by Brannen’s (2005) who concluded that in order to improve execution certain issues have to be tackled. These include inadequate or unavailable resources, poor communication of the strategy to the organization, ill-defined action plans, ill-defined accountabilities, and organizational/cultural barriers. Training provided the employees with the necessary tools to perform and implement the new strategy (see insert, “Building Competencies and Awareness”). The type of training and amount provided varies greatly. The research found that it is necessary to provide employees with basic awareness
training and extend that to sustainability training. Most training, however, is task-oriented or role-training (Shadur, Kienzle, & Rodwell, 1999). Other factors that may cause obstacles to successful strategy implementation included: Lack feelings of "ownership" of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy-execution efforts; lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; insufficient financial resources to execute the strategy. The lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems; these findings are in line with the findings by Hofer and Schendel (2008) under the Resource based view (RBV) he suggests that the source of competitive advantage is rooted in a firm resources and capabilities.

5.3.5 Effects of Organizational Culture on Strategy Implementation

On effects of organizational culture on strategy implementation, the study revealed that organizational culture affects strategy implementation to a great extent. The study also noted that organizational culture helps to keep employees motivated and loyal to the management of the organization, the organization culture brings all the employees on a common platform, healthy competition among employees is one of the results of a shared organizational culture; strategies require "linkage" both vertically and horizontally. Vertical linkages establish coordination and support between corporate, divisional and departmental plans, guidelines contribute to organizational culture; they provide employees with a sense of direction and expectations that keep employees on task, the culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace, culture of the organization enables the organization to extracts the best out of each team member, a shared organizational culture helps to unite employees of different demographics as shown by a mean of, it is essential for the employees to adjust well in the organization culture for them to deliver their level best.

The study also established that in order for strategy to receive sustained support, it must be aligned with organizational culture, the above findings concurs with the findings by DaulatrumB.Lund, (2003). That organization’s culture requires that management recognize underlying dimensions of their corporate culture and its impact on employee-
related variables such as satisfaction, commitment, cohesion, strategy implementation, performance, among others organization’s culture requires that management recognize underlying dimensions of their corporate culture and its impact on employee-related variables such as satisfaction, commitment, cohesion, strategy implementation, performance, among others, need to have sufficient funds and enough time to support implementation. Often, true costs are underestimated or not identified. True costs can include a realistic time commitment from staff to achieve a goal, a clear identification of expenses associated with a tactic, or unexpected cost overruns by a vendor. Additionally, employees must have enough time to implement what may be additional activities that they aren’t currently performing.

The study also identified that that planners should place more emphasis on implementation issues while they are drafting their plans, most of these obstacles are avoidable if they have been accounted for during the formulation stage. It is obvious that many strategic plans fail to realize the anticipated benefits due to problems & difficulties faced during implementation, company management must ensure that the supportive structure is in place to provide staff employees with the needed training & instructions during implementation phase, company management should link employee performance during implementation phase with the overall reward and compensation system in the organization, company management should develop a good information system, employees need to be updated on implementation tasks, company management has to align its own organizational structure to what the strategy is calling for in order to enhance effectiveness of communication and coordination during implementation processes, company management has to be involved and maintain focus during the implementation processed.

5.4 Conclusion

5.4.1 Leadership

The study established that leadership through communication is one of the most important vehicles for successful implementation, to facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about
activities, ideas and problems are efficiently spread across the organization, therefore the study concludes that right leadership had a positive impact on strategy implementation.

5.4.2 Employee’s Involvement

The study established that involve employees is an important milestone to make strategy everyone’s everyday job, the success of any implementation effort depends on the level of involvement of employees and that teamwork plays an important role within the process of strategy implementation; therefore the study concludes that, employee’s involvement is required to enhance successful strategy implementation.

5.4.3 Resources

The study revealed that resources do play a vital role in strategy implementation; the source of competitive advantage is rooted in a firm resources and capabilities, sufficient resources are crucial factor in strategy implementation, lack of resources, like time and people, is a key reason for failure of strategy implementation, therefore the study concludes that resources played a crucial role in strategy implementation.

5.4.4 Organizational Culture

The study findings revealed that; organizational culture helps to keep employees motivated and loyal to the management of the organization, the organization culture brings all the employees on a common platform, the culture of the organization enables the organization to extracts the best out of each team member, thus the study concludes that organizational culture impact on strategy implementation.

5.5 Recommendations

5.5.1 Recommendations for Improvement

The study makes the following recommendations for improvement

5.5.1.1 Leadership

On order to ensure successful implementation of competitive strategy in Small Medium Enterprises (SME’S) the management of must ensure that right leadership is put into place. This will help to ensure that the implementation process proceeds as directed.
5.5.1.2 Employee’s Involvement

To ensure successful implementation of competitive strategy in Small Medium Enterprises (SME’S), it is also important that SMEs engage their workforce in the strategy implementation process, this will help to produce reliable sustainable business results.

5.5.1.3 Resources

The management must show full commitment in allocation of sufficient resources, as this was found to play significant role in the successful implementation of business strategy.

5.5.1.4 Organizational Culture

There is need to ensure that the organizational culture is aligned with the strategic goal, this will help to keep employees motivated and loyal to the management as well as united thereby ensuring that employees deliver their best.

5.5.2 Recommendation for further studies

The study sought to determine factors affecting competitive strategy implementation in Small Medium Enterprises (SME’S) with special focus on Gem Arch plans. The study recommends that similar study should be carried out, this time exploring on the effects of porters competitive strategies on SMEs performance.
REFERENCES


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APPENDICES

Appendix I: Cover Letter

Felista W. Ngoru

United States International University

P.O.BOX 556 – 00200

Nairobi

Dear Respondent,

I am carrying out a research on Assessing Factors Determining Competitive Strategy Implementation in Small Medium Enterprises. This is in Partial Fulfillment of the requirements of the Masters of Business Administration degree program at the United States International University.

The study uses Gem Arch Plans as the case study from which you have been selected as one of the respondents. The result of this study will provide the management with the necessary information on what factor they need to put in place to ensure that the organization is successfully able to implement its strategies competitively.

This is academic research and confidentiality is strictly emphasized, your name will not appear anywhere in the report. Kindly spare sometime to complete the questionnaire attached.

Thank you in advance,

Felista Ngoru (Research Student)
Appendix II: Questionnaire

(Kindly tick the most appropriate answer (s) or fill in the information required. Your response will go a long way in making this study a success. This information will be treated with utmost confidence and will be used for the purposes of the research only)

SECTION A: BACKGROUND INFORMATION

1. Name of the respondent (optional) ……………………………..
2. Designation ……………………………..
3. Gender
   Male [ ]   Female [ ]
4. Level of education?
   Post Graduate [ ]
   Degree [ ]
   Diploma [ ]
   Any other (Specify)………………………………………………
5. How long have you worked for this organization?
   Less than 1 year [ ]
   1 - 3 years [ ]
   3 - 5 years [ ]
   5 - 10 years [ ]
   More than 10 years [ ]

SECTION B: LEADERSHIPS IMPACT ON STRATEGY IMPLEMENTATION

6. Does leadership impact strategy implementation?
   Yes ( )   No ( )
7. To what extent leadership impact strategy implementation?
   Very Great extent ( )
   Great extent ( )
   Moderate extent ( )
   Little extent ( )
   No extent at all ( )
8. Indicate your level of agreement with the following statements relating to effects of leadership on strategy implementation.
<table>
<thead>
<tr>
<th>Statement</th>
<th>5= Strongly Disagree</th>
<th>4= Disagree</th>
<th>3= Neutral</th>
<th>2= Agree</th>
<th>1= Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of alignment between strategy and structure can thus open the door for implementation and performance problems</td>
<td></td>
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<tr>
<td>Leadership creates the correct organizational structure, which is crucial to enable the organization to implement its strategy</td>
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<tr>
<td>To facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization,</td>
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<tr>
<td>Through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization</td>
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<tr>
<td>Leadership through communication is one of the most important vehicles for successful implementation</td>
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</table>

9. How else does leadership impact strategy implementation that is not mentioned above?

i. ........................................................................................................................................

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ii. ........................................................................................................................................

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iii. ........................................................................................................................................

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SECTION C: EMPLOYEE’S INVOLVEMENT FOR SUCCESSFUL IMPLEMENTATION

10. Does employee’s involvement enhance strategy implementation?
   
   Yes ( )  No ( )

11. To what extent employee’s involvement affects strategy implementation?
   
   Very Great extent ( )
   Great extent ( )
   Moderate extent ( )
   Little extent ( )
   No extent at all ( )

12. Indicate your level of agreement with the following statements relating to effects of employee’s involvement on strategy implementation.

<table>
<thead>
<tr>
<th>Statement</th>
<th>5= Strongly Agree</th>
<th>4= Disagree</th>
<th>3= Neutral</th>
<th>2= Agree</th>
<th>1= Strongly Disagree</th>
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<tbody>
<tr>
<td>The success of any implementation effort depends on the level of involvement of employees</td>
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<td>To generate the required acceptance for the implementation as a whole, the affected employees’ knowledge must already be accounted for in the formulation of the strategy</td>
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<td>To involve employees is an important milestone to make strategy everyone’s everyday job</td>
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<tr>
<td>The involvement of middle managers helps build consensus for the strategy.</td>
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<td>A lack in strategic consensus can limit a company’s ability to concentrate its efforts on achieving a unified set of goals</td>
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<td>Teamwork plays an important role within the process of strategy implementation</td>
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<tr>
<td>it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments</td>
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</tbody>
</table>

13. How else do employee’s involvement affects strategy implementation that is not mentioned above?

   i. ..................................................................................................................
14. Do resources play vital role in strategy implementation?
   Yes ( ) No ( )

15. To what extent resources affect strategy implementation?
   Very Great extent ( )
   Great extent ( )
   Moderate extent ( )
   Little extent ( )
   No extent at all ( )

16. Indicate your level of agreement with the following statements relating to effects of resources on strategy implementation.

<table>
<thead>
<tr>
<th>Statement</th>
<th>5= Strongly Disagree</th>
<th>4= Disagree</th>
<th>3= Neutral</th>
<th>2= Agree</th>
<th>1= Strongly Agree</th>
</tr>
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<tbody>
<tr>
<td>The source of competitive advantage is rooted in a firm resources and capabilities</td>
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<tr>
<td>Sufficient resources are crucial factor in strategy implementation</td>
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<tr>
<td>Lack of resources, like time and people, is a key reason for failure of strategy implementation</td>
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<tr>
<td>The lack of the right skills and abilities of the people involved in the strategy implementation have also been found to cause problems</td>
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<tr>
<td>Strategy implementation depends on resources and competencies possessed by the firm</td>
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17. In which other way do resources affect strategy implementation that is not mentioned above?
   i. .................................................................................................
   ii. .................................................................................................
SECTION E: ORGANIZATIONAL CULTURE IMPACT ON STRATEGY IMPLEMENTATION

18. Does organizational culture have impact on strategy implementation?
   Yes ( )  No ( )

19. To what extent organizational culture affect strategy implementation?
   Very Great extent ( )
   Great extent ( )
   Moderate extent ( )
   Little extent ( )
   No extent at all ( )

20. Indicate your level of agreement with the following statements relating to effects of organizational culture on strategy implementation.

<table>
<thead>
<tr>
<th>Statement</th>
<th>5= Strongly Disagree</th>
<th>4= Disagree</th>
<th>3= Neutral</th>
<th>2= Agree</th>
<th>1= Strongly Agree</th>
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<tbody>
<tr>
<td>Strategies require &quot;linkage&quot; both vertically and horizontally. Vertical linkages establish coordination and support between corporate, divisional and departmental plans</td>
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<td>Healthy competition among employees is one of the results of a shared organizational culture.</td>
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<td>Guidelines contribute to organizational culture. They provide employees with a sense of direction and expectations that keep employees on task</td>
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<td>The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace</td>
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<td>The organization culture brings all the employees on a common platform.</td>
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<td>It is essential for the employees to adjust well in the organization culture for them to deliver their level best culture of the organization enables the organization to extracts the best out of each team member</td>
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<td>A shared organizational values helps to unite employees of different demographics</td>
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<td>Organizational culture helps to keep employees motivated and loyal to the management of the organization</td>
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</tbody>
</table>
21. In which other way does organizational culture affect strategy implementation that is not mentioned above?

   i. ........................................................................................................................................

   ii. ......................................................................................................................................

   iii. ......................................................................................................................................

Thank you for your time