

ASSESSMENT OF FACTORS INFLUENCING STRATEGY IMPLEMENTATION ON  
FLORICULTURE PRODUCTION IN KENYA.

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A research project submitted to the School of business in partial fulfillment for the award of  
Masters of Business Administration (Strategic Management) of Kabarak University.

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**DECLARATION**

I hereby declare that this research project is my original work and has not been submitted in the same form or any other form to Kabarak University or to any other university or institution of higher learning for any award.

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This research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

To my parents E Nyaga Mathuko and Grace Wanjiku Kariithi who have been a constant source of inspiration and support throughout my academic journey.

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## **ABSTRACT:**

There has been a great demand of Kenyan flowers which has put pressure on producers to meet the ever growing demand in Europe. Kenya has been faced with fierce competition from other flower exporting countries, namely Colombia, Ethiopia, and Israel. A number of flower firms in the country are trying to implement strategies that deliver competitive advantage such as increasing production, cutting costs and complying with the cut-flower industry standards. Business environmental challenges have put pressure on the players in the Flower-Cut industry to formulate and implement alternative strategies to meet customer demands and achieve competitive advantage. Therefore, to meet the increased demand, and stay competitive, flower farms have been forced to formulate and implement strategies that will give them a competitive advantage. The general objective of the study was to reveal the strategies adopted by various flower farms in Kenya, with the specific objectives being to determine the approaches used to implement the strategies, how strategy implementation affects production, the barriers to effective strategy implementation. The target population was 98 flower farms registered with the Kenya flower council in the country. A sample size of 27 flower farms was derived using stratified random sampling. The sampling frame comprised of mostly management level employees, who were conversant with strategies being implemented by the farms. The collected data was then analyzed using the Statistical Package for Social Sciences (SPSS). The findings revealed that majority of the flower farms have adopted focus strategy as their base strategy and concentrated growth as their grand strategy. It was also revealed that strategy formulation is a preserve for top management and only line managers are involved in strategy formulation. Most farms in turn therefore employed the collaborative approach. It is recommended that farm workers should have a sense of ownership to the strategies that they are implementing. This can be achieved by involving them in strategy formulation, since most employees are not involved in the strategy formulation, which is mainly a preserve for management.

**Key words:** Cut-flower industry, Strategy implementation, strategy formulation, competitive advantage, focus strategy, concentrated growth strategy, floriculture.

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## **ABBREVIATIONS**

DFID-Department for International Development

EPZA- Export Processing Zones Authority

EU-European Union

FAO- Food and Agricultural Organization

GDP-Gross Domestic Product

HCDA- Horticultural Development Authority

KFC- Kenya Flower Council

USITC- United States International Trade Commission

UK-United Kingdom

UPOV - Union International pour la Protection des obtentions Végétales

## **CHAPTER ONE**

### **INTRODUCTION**

Cut flowers are parts of plants, that includes the blooms or “inflorescences” and some attached plant materials, but not including roots and soil (USITC, 2009). Fresh cut flowers are highly perishable because they maintain only limited life-supporting processes by taking water up through their stems. They are used for decorative purposes such as vase arrangements and bouquets at formal events, designs for weddings and funerals, gifts on occasions such as Mother’s Day, Valentine’s Day, in times of illness, during holidays such as Christmas and Easter corsages and boutonnieres and informal displays to beautify homes and public places. In a report by the Kenya flower council, Last year, Kenya, better known for its tourism and coffee, exported 400 million flowers, ranking it sixth or seventh in the world after traditional flower producers like the Netherlands, Israel and Colombia. Furthermore the UK is Kenya’s fastest growing market, and only second in importance to Holland in terms of volume. Kenya’s flower industry has traditionally exported carnations and roses but the need to maintain profitability has encouraged many growers to diversify into other flower crops and value adding services such as packaging flowers directly for supermarket shelves.

#### **1.0 BACKGROUND OF THE STUDY**

According to Craig & Sadler (2012) strategy is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations. Strategy is an executable plan of action that describes how an individual or organization will achieve its objectives. It is about where the business is trying to get to in the long-term direction, which markets should a business compete in and what kinds of activities are involved in such markets. Strategic management is the set of managerial decisions and actions that determines the long-run performance of a corporation. It includes environmental scanning (both external and internal), strategy formulation (strategic or long range planning), strategy implementation, and evaluation and control (Jones & Hills, 2009).

## **1.1 The Cut-Flower industry in Kenya**

Kenya's economy largely relies on the agriculture sector which contributes 25.3% of GDP. 2.63% of the national GDP is from the horticultural sub-sector while 1.29% is from the flower industry. Horticulture is one of the top foreign exchange earners for the country generating approximately US\$1 billion annually.

In Africa, Kenya is the lead exporter of rose cut flowers to the European Union (EU) with a market share of about 38%. Approximately 65% of exported flowers are sold through the Dutch auctions, although direct sales are growing. In the United Kingdom, supermarkets are the main retail outlets. Other growing destinations include Japan, Russia and USA. Over 25% of exported flowers are delivered directly to these multiples, providing an opportunity for value addition at source through sleeving, labeling and bouquet production.

The main production areas are around Lake Naivasha, Mt. Kenya, Nairobi, Thika, Kiambu, Athi River, Kitale, Nakuru, Kericho, Nyandarua, Trans Nzoia, Uasin Gishu and Eastern Kenya. In 1995, Kenya exported a total of 24,992 tonnes of fresh flowers. Last year, Kenya, better known for its tourism and coffee, exported 400 million flowers, ranking it sixth or seventh in the world after traditional flower producers like the Netherlands, Israel and Colombia. The floriculture industry in Kenya is the most developed sector in Kenya and accounts for about 40% of all the horticultural exports (Kenya flower council 2014). The Kenyan floriculture industry has increasing number of flower projects some of who have invested significantly in growing and marketing of the quality fresh flowers.

The cultivation of Kenyan flowers for export markets was initiated by European settlers in the 1960s. During the last two decades the production and export of Kenyan flowers have experienced phenomenal growth rates. Floriculture is today the fastest-growing sector of the Kenyan economy and is after tea the second largest source of foreign exchange generating more than \$250 million a year (DFID, 2009).

The structure of the Kenyan flower industry is characterized by an increasing tendency towards large scale flower operations (Moonsbrugger, 2009). As compared to the 1970s and 1980s when there were only one or two companies accounted for the bulk of cut flower exports in Kenya, by

the end of 2002 there were over 500 producers/exporters growing cut flowers in Kenya. Production for export is largely concentrated on some 60 or so medium to large scale flower operations of which the twenty-five largest producers account for over 60 percent of total exports.

The larger flower operations range in size from 20 to over 100 hectares under production with a labour force ranging from 250 to 6000. Supplementing these larger growers are approximately 50 medium scale commercial growers and an estimated 500 small growers (Smith, Opondo& Dolan, 2012).

### **1.1.1 Industry characteristics**

The growing and the marketing of cut flowers depend on several key success factors.

Successfully growing flowers requires: good physical conditions, high light intensity, abundant water, clean soil and good climate. This is because cut flowers have a highly perishable nature and the deterioration starts at the moment of harvesting. Floriculture practice also requires appropriate seeds and planting material as well as capital for investments and working capital. Good management practice is also a requisite that is able to come up with business models and policies that confront organizational threats (Wijnands, 2012).

### **1.1.2 Flower Industry prospects**

According to EPZA (2012) the success of the horticulture industry in Kenya came about partly because of factors such as private traders, successfully exploited growing demands for South Asian vegetables in external markets such as the United Kingdom, Kenyan farmers taking advantage of spin-off opportunities from the tourist industry such as cheaper cargo transportation costs and increasing demands from local hotels and restaurants; the country has maintained a stable, liberal macroeconomic policy environment where government policy has favored foreign investment and international trade.

Key lessons for building future successes and replicating current ones in other places have also shaped the flower industry in Kenya. This includes providing a stable political and economic environment which is important for investors as well as exporters and producers, government policy of non-intervention in the horticulture production and marketing being source of strength, promoting institutional innovation by providing market information, extension services, mediating disputes and establishing standards, for instance, allows a variety of private

institutions and marketing arrangements to develop which can then adapt to changing environments, linking small farmers to high-value urban and export markets is an important strategy for raising rural incomes, reducing poverty and potentially maintaining export competitiveness as well and developing new institutional arrangements that would facilitate the enforcement of contracts between buyers and growers would contribute significantly to more widespread use of contract farming and would expand.

### **1.1.3 Flower industry challenges**

According to a report by DFID (2011) the greatest challenge of the cut-flower industry in Kenya has been to upgrade the quality of flowers produced to international standards. Furthermore initial capital costs are high because the technologies used including hardware, plant-ware, nature-ware and computer technology which are all imported. In addition to that, there is low production due to inadequate credit to finance purchase of inputs and capital investment. High interest rates make it impossible for horticultural farmers to access the credit (World Bank, 2014).

### **1.2 Statement of the Problem**

According to the Kenya flower council (2013) there is great demand of Kenyan flowers which has put pressure on producers to meet the ever growing demand in Europe. Kenya has been faced with fierce competition from other flower exporting countries, namely Colombia, Ethiopia, and Israel. A number of flower firms in the country are trying to implement strategies that deliver competitive advantage such as increasing production, cutting costs and complying with the Cut-flower industry standards.

Business environmental challenges have put pressure on the players in the flower-cut industry to formulate and implement alternative strategies to meet customer demands and achieve competitive advantage

### **1.3 General Objective.**

The general objective of the study was to determine factors influencing strategy implementation on floriculture production by Kenyan flower farms.

### **1.3.1 Specific Objectives**

The following specific objectives guided the study;

- (i) To determine the approach used to implement strategy.
- (ii) To assess how strategy implementation affects production.
- (iii) To determine the barriers to effective strategy implementation.
- (iv) To reveal the strategies adopted by Kenyan flower farms.

### **1.4 Research Questions**

In achieving the stated objectives the study was guided by the following research questions:

- (i) Which strategy implementation approach has the farm adopted?
- (ii) How does strategy implementation affect production at the farm?
- (iii) Which are the barriers that act against effective strategy implementation?
- (iv) Which strategy has the farm adopted?

### **1.5 Assumptions of the study**

That the variables studied have a direct link to production, holding all other factors constant. The research study will build a knowledge base to inform strategic or policy directions in the general flower industry in Kenya.

### **1.6 Scope of the study**

The study was be narrowed down to strategy implementation. However, this theme was not looked at in entity alone. Strategy implementation is part of the greater strategic management process that includes strategy formulation, evaluation and control. Therefore the scope of the study included strategy implementation, touching on barriers to strategy implementation, approaches used to implement strategy and how it all affects production. The study was conducted between November 2014 and February 2015.

### **1.7 Delimitations of the study.**

The farms' willingness to provide complete information on how they carry out the process of strategy implementation at various levels. Company policies that only certain officials are allowed to disclose information to the public. The sample of the study may not statistically represent all flower firms in Kenya therefore resulting in generalizability. To overcome this the research supported the principle of voluntary participation. Data was collected with the informed consent of participants. Privacy and confidentiality of participants was assured and information sought would not be made available to anyone who is not directly involved in the study. The principal of anonymity was guaranteed by keeping the participants anonymous throughout the study.

### **1.8 Definition of key terms.**

**Floriculture**-A segment of horticulture concerned with commercial production, marketing, and retail sale of cut-flowers.

**Cut flowers**-Flowers or flower buds (often with some stem and leaf) that have been cut from the plant bearing it. It is usually removed from the plant for indoor decorative use. Typical uses are in vase displays, wreaths and garlands.

**Strategy implementation**-The translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. 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.

**Strategy formulation**-The process of determining appropriate courses of action for achieving organizational objectives and thereby accomplishing organizational purpose.

**Competitive advantage**-A superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

Literature review is an account of what has been published on a topic by accredited scholars and researchers. The research study uses the following selection criteria to choose articles for inclusion in the review. First articles selected contain the keywords “strategy Implementation & production” or “strategy execution” or where the title includes one of these Key words. Then, further articles are identified using the references sections of the previously retrieved articles. The research’s study literature review is guided by the research questions and explores the dominant themes: strategy implementation, strategy implementation and production, and the general organizational structure in relation to strategy implementation.

#### 2.1 The Process of Strategy Implementation

As mentioned by many researchers, a brilliantly formulated strategy does not have any value if it is not put into practice (Hill et al, 2009; Neilson et al, 2008; Olson et al, 2005;). To put the formulated strategy into practice a number of actions on different levels of the organization are needed. According to Hill et al. (2009), the main components of the process for strategy implementation are the organizational structure, the organizational culture, and the organizational controls.

#### 2.1 Generic strategies

The notion underlying the concept of generic strategies is that competitive advantage is at the heart of any strategy and achieving competitive advantage requires a firm to make a choice about the type of competitive advantage it seeks to attain and the scope within which to attain it (Porter, 2010). Porter (2010) further argues that one of the central questions in competitive strategy is the firm’s relative position within its industry. Positioning determines whether a firm’s profitability is above or below the industry average. A firm that can position itself well may earn high rates of return even though the industry structure is unfavorable and the average profitability of the industry is therefore modest. He observed that, though a firm can have a lot of

strengths and weaknesses compared to its competitors, There are two basic types of competitive advantage a firm can possess: low cost or differentiation. The two basic types of competitive advantage combined with the scope of activities through which a firm seeks to achieve those leads to three generic strategies for achieving above average performance in an industry: Cost leadership, differentiation and focus. The focus strategy has two variants, cost focus and differentiation focus.

Each of the generic strategies involves a fundamentally different route to competitive advantage, combining a choice about the type of competitive advantage sought with the scope of the strategic target in which competitive advantage is to be achieved (Porter, 2010). The cost leadership and differentiation strategies seek competitive advantage in a broad range of industry segments, while focus strategies aim at cost advantage (cost focus) or differentiation (differentiation focus) in a narrow segment.

Figure 2: The three generic strategies (Porter, 2004.)

		COMPETITIVE ADVANTAGE	
		Lower cost	Differentiation
COMPETITIVE SCOPE	Broad Strategies	1.cost leadership	2. Differentiation
	Narrow Strategies	3 a. cost focus	3 b. Differentiation focus

## **2.2 Cost Leadership Strategy**

According to Porter, (2010), this generic strategy calls for being a low cost producer in an industry without compromising on quality. The firm sells its products either at average industry prices to earn profits higher than that of rivals or below the average industry prices to gain market share. The sources of cost advantage are varied and depend on the structure of an industry. They may include the pursuit of economies of scale, proprietary technology, preferential access to raw material making optimal outsourcing and vertical integration decisions, or avoiding some costs (Porter, 2010). If competing firms are unable to lower their costs by a similar or better amount, then the firm may be able to sustain a competitive advantage based on cost leadership.

## **2.3 Differentiation Strategy**

In a differentiation strategy, a firm seeks to create products which are perceived as unique in its industry (Porter, 2010). It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs; it is therefore rewarded for its uniqueness with a premium price. The means for differentiation are peculiar for each industry. Differentiation can be based on the product itself, the delivery system by which it is sold, the marketing approach, and a broad range of other factors.

Porter (2010), further states that, a firm that can achieve and sustain differentiation will be an above average performer in its industry if its price premium exceeds the extra costs incurred in being unique. Because of the products uniqueness, if suppliers increase their prices the firm may be able to pass this extra cost to the customers who cannot find substitute products easily.

## **2.4 Focus Strategy**

This strategy is quite different from the others in that it rests on the choice of a narrow competitive scope within an industry (Porter, 2010). The firm concentrates on a few target markets and tailors its strategy to serving that market in exclusion of others (Porter, 2004). The focus strategy has two variants. In cost focus a firm seeks a cost advantage in its target segment. Both variants rest on a firms target segments and other segments in the industry (Porter, 2010). Porter, (2010) further submits that target segments must either have buyers with unusual needs or

else the production and delivery system that best serves the target segment must differ from that of other industry segments.

## **2.5 Concentrated growth strategy**

A concentrated growth strategy involves focusing on increasing market share in already existing markets. It is also sometimes called a concentration or market dominance strategy. In a stable environment where demand is growing, concentrated growth is a low risk strategy. Concentration may involve increasing the rate of use of a product by current customers, attracting competitor's customers and/or attracting non users or new customers.

## **2.6 Strategies in the flower industry in Kenya and the world**

The progress of the flower industry in Kenya is an example of regional economic development that exploits comparative advantages to export to developed markets (Economist, 2013). It is no doubt the most players have embarked on a number of strategies that have put the industry where it is. To begin, the Kenyan flowers on the international market are priced competitively meaning that flower firms have to one extent implemented the generic strategies of cost leadership. Surveys of most flower firms have revealed that they do achieve substantial cost savings as a result of the market imperfections in the labor market in addition to the low wage rates in Kenya. Success can be achieved in industries by identifying growth segments within an overall market, enhancing quality and stressing operating efficiencies. It can also be achieved by the creation of economies of scale.

The types of positioning strategy are market leader, market challenger or market follower. In market leadership the firm must work at maintaining its position, having got there through, say, cost advantage or innovation, by being very responsive to market needs.

In the market challenger category, a company may publicly announce its intention to take over the number one position either by price advantage, product innovation or promotion.

The market follower is given permission to stay in the market only if the leader chooses to maintain a price umbrella and not maximize share. However the follower is able to service segments on a more personal level than the leader and hence maintain an industry position. Other

strategies include market flanking, the competitive position of the industry is very important to the would be global marketer. Intelligence, such as that gathered by the process described in chapter five, is an essential prerequisite to designing a strategy. Too often developing countries attempt to gain entry into the international market without knowledge of the industry or competitors. The need to properly assess the market and devise a strategy on the assessment is a must to succeed.

The "copy adapt" strategy is a comparatively well tried strategy in which a company may seek to copy a successful product/market strategy pioneered by another company and adapt it to local conditions or other markets. (Hall, 2010).

## **2.7 Strategy Implementation**

For companies to be competitive the formulation of a good strategy is not enough, the implementation intervention is quite significant. Strategy implementation is the process of turning plans into action assignments, thus operationalizing the strategic alternatives of an organization (Kotler, 2008). It involves a series of managerial interventions that aligns action with strategic intention. The intervention concerns organizational structures, key personal actions and control systems designed to control performance in respect to goals desired. In organizations the main aim of strategy implementation is to deliver stated missions and objectives. Amongst the elements of the strategy implementation process are general objectives, scope of the strategy and finances coupled with a control system that ensures performance (Lynch, 2010).

Literal studies on strategic management have long focused on strategy formulation and indeed literatures focusing on strategy implementation are scanty. However Govindarajan (2007) pioneered studies on strategy implementation in large business firms. He found out that the business units/departments have their own strategies. The problem is that the business units focus on implementing their own strategy rather than the organizational strategy. The implication is that the chief executive of a diversified firm has the challenge of implementing multiple strategies.

In their review of existing studies, by Li, Gouchi and Eppler (2008), they found two types of strategy implementation studies: those highlighting the importance of individual factors for

strategy implementation and those that emphasize the big picture of how such factors interrelate and form a strategic implementation environment. They stated nine recurring, individual factors that influence strategy implementation ; the strategy formulation process, the strategy executors (managers, employees), the organizational structure, the communication activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy levels, the employed implementation tactics, and the administrative system in place. Starting with formulation their review concluded that a well formulated strategy enhances effective implementation in agreement with the views of (Alexander, 2009: Allio, 2010 & Singh 2012). For example Alexander (2005), states the need to start a formulated strategy that involves a significant theme that helps implementation. Like wise Allio (2005) concurs that good implementation equals good strategic input.

## **2.8 Theories of implementation**

The contemporary theory of strategy implementation was recognized and supported by a number of scholars (Floyd & Woldridge, 2012; Mintzberg & Waters, 2010; Floyd & Woldridge (2012) in their survey of strategic involvement of middle managers they found evidence that middle managers' influence extends beyond implementation. According to them, traditionally, middle-level managers had not been considered part of the strategy process except in providing informational inputs and directing implementation. A critical analysis of their literal work is that given the three levels in organization the middle management and the bottom management are the ones involved in strategy implementation. On another front the studies fail to specify the particular roles that the middle managers have to play in the implementation of strategy.

The strategic level, top management, only plays the role of formulation. However the research is in agreement with them for effective strategy implementation, the middle managers have a significant role to play.

According to Mintzberg theory, strategy implementation and strategy formulation processes are closely interrelated. The desired results of an organization are started during the strategy formulation process and implementation consists of the issues involved in putting the formulated strategy to work. Therefore a vague formulated strategy presents difficulties during implementation.

Brodwin & Bourgeois III (2008) identified three distinct basic approaches to strategy implementation. The first one is the Commander approach whereby the strategic leader concentrates on formulating the strategy, applying rigorous logic and analysis. The leader either develops the strategy himself or supervises a team of planners charged with determining the optimal course of action for the organization. Furthermore the leader typically employs such tools as experience curves, growth/share matrices and industry and competitive analysis. The leader does not take an active role in implementing the strategy. The strategic leader is primarily a thinker/planner rather than a doer. The Commander Approach helps the executive make difficult day-to-day decisions from a strategic perspective. However, three conditions must exist for the approach to succeed: The leader must wield enough power to command implementation or, the strategy must pose little threat to the current management, otherwise implementation will be resisted. Accurate and timely information must be available and the environment must be reasonably stable to allow it to be assimilated. The strategist, if he is not the leader should be insulated from personal biases and political influences that might affect the content of the plan.

A drawback of this approach is that it can reduce employee motivation. If the leader creates the belief that the only acceptable strategies are those developed at the top, he may find himself an extremely unmotivated, un-innovative group of employees.

Secondly there is the collaborative approach whereby, the leader employs group dynamics and "brainstorming" techniques to get managers with differing points of view to contribute to the strategic planning process. The Collaborative Approach overcomes two key limitations inherent in the previous one. By capturing information contributed by managers closer to operations, and by offering a forum for the expression of managers closer to operations, and by offering a forum for the expression of many viewpoints, it can increase the quality and timeliness of the information incorporated in the strategy. And to the degree that participation enhances commitment to the strategy, it improves the chances of efficient implementation. However, the Collaborative Approach may gain more commitment than the foregoing approaches, it may also result in a poorer strategy.

Thirdly there is the organizational change approach whereby the strategic leader again decides major changes of strategy and then considers the appropriate changes in structure, personnel, and

information and reward systems if the strategy is to be implemented effectively. Furthermore Brodwin & Bourgeois III (2008) contend that the Change Approach is often more effective than the Commander Approach and can be used to implement more difficult strategies because of the use of the several behavioral science techniques. These techniques for introducing change in an organization include such fundamentals as using demonstrations rather than words to communicate the desired new activities, focusing early efforts on the needs that are already recognized as important by most of the organization and having solutions presented by persons who have high credibility in the organization.

However, the Change Approach doesn't help managers stay abreast of rapid changes in the environment. It can backfire in uncertain or rapidly changing conditions. Finally, this approach calls for imposing the strategy in "top down" fashion; it is subject to the same motivational problems as the Commander Approach.

Lau (2011) in his work on strategy implementation in Australian textile firms came up with Transformational Theory that concerns leadership. He postulated that strategy implementation is more likely to be effective with a participative style of managerial behavior. If staffs are kept fully informed of change proposals, they will be encouraged to adopt a positive attitude and have personal involvement in the implementation of the change, therefore there is a greater likelihood of their acceptance of the change. Other scholars contend that the participative style of leadership is accepted and it tends to be long lasting because each person tends to be more highly committed to the implementation of a strategy. According to the transformation theory managers are encouraged to transform their own units in a way that is consistent with the vision and strategy. However another scholar (Yui, 2009) conflicted Lau (2005) by saying that the theory has a disadvantage as it tends to be slow and evolutionary.

## **2.9 Strategy Implementation and Production**

Strategy implementation is the translation of thoughts, the strategic objectives of an organization into action and to be effective a chosen strategy must be implemented successfully (Smit, 2007). He further contends the implementation of an effective strategy can be a source of competitive advantage to an organization. With prescriptive strategies the organization levels at which strategy is formulated on one side and the level of implementation on the other are different. In

most cases it is the top management responsibility to formulate and pass over the plan for implementation to the line managers. All the production and operational process of a firm are in the control of the line managers and therefore if there is absence of an inclusive implementation strategy the plans are doomed to affect organizational performance in terms of production.

Production or operations are functions that mainly concerns with the achievement of organizational objectives. Quite a significant number of strategy implementation activities are production related and therefore strategy implementation and production are inseparable. The objective of any business organization is profitability. Eppler, Guochui and Li (2008) contend that strategy implementation success depends crucially on the human or people side of management, and less on organization and systems related factors. In their work citing Harrington (2006) it was found that when there is a higher level in total organizational involvement during strategy implementation, production is enhanced.

Production volume is not pegged on profitability alone; there are other measures of production as well. Strategy implementation initiatives can affect a firm's production in other aspects such as the quality of a product. An effective strategy implemented will not compromise the quality of cut flowers being produced and as the study progresses they shall also include the compliance of firms to general compliance codes in the industry as a success.

Production of a business organization is a benchmark for measuring the achievement of organization goals and targets and plays a crucial role for implementing organization strategy. Production-concerned decisions on plant location, plant size, product design, choice of equipment, size of inventory, inventory control, quality control, cost control, use of standards, shipping and packaging, and technological innovation, job specialization, employee training, equipment and resource utilization. All these factors place an important impact on success and failure of the strategy. (Kotler, 1984).

## **2.10 Barriers to strategy implementation**

According to Smit (2011) formulated strategies will fail if not properly implemented and it cannot be possible unless there is stability between strategy and organizational dimensions such as structure, culture, resource allocation etc. He contends that the ability to translate a strategic plan into actions and improve performance can be a source of competitive advantage. However

the paper is in agreement that the translation of thoughts into action, implementation poses a great challenge.

The same sentiments are echoed by Li, Gouchi and Eppler (2008), that strategy implementation is a key challenge to today's organizations as significant difficulties arise during implementation. They further argue that unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science. The research agrees with Li et al in that experience counts significantly in strategy implementation. Managers who have initiated change are far better placed to successfully implement strategy. More specifically the research concurs that the lack of leadership, especially leadership at the top, strategic leadership, leads to failure during implementation. In addressing other barriers to strategy implementation

Eisenstat and Beer, (2012) contend that the organizational variables can be source of strength in the strategy implementation process or a "silent" killer to strategy implementation interventions. Tan (2007) concurs with (Li, Gouchi and Eppler, 2008; Eisenstat and Beer 2012) that leadership and power are the major barriers to strategy implementation. In addition to that Tan (2007) further notes that other organizational variables are significant in impeding strategy implementation.

Other scholars are of the view that a lack of an ideal implementation framework is a barrier to implementation. SWOT analysis is one of the numerous tools and frameworks that are used in the formulation of strategies. In contrast, the tools and frameworks for strategy implementation are few. These frameworks, whether classical or contemporary, are a given set of factors and how they are to be utilized in the implementation process (Flood and Flood, 2000). The impacts of these factors on strategy are dependent on the prominence that management places on them. A distinctive example of the complexity of interdependence of these factors is given by Altonen and Ikavalko (2002) and Freedman (2003). Their works infer that for strategy implementation to be effective the culture and structure of the organization must be open to change and this must have commensurate organizational structures in place that supports employees to uphold the organization's strategic vision in high esteem. This must be complemented by skills in the area of change management.

## **2.11 Ineffective Leadership**

First of all, ineffective leadership is a factor mentioned by almost all researchers as a reason hindering the implementation of strategy. Alexander (2009) found that ineffective coordination of implementation activities was one of the causes of failure. This finding is confirmed by Al-Ghamdi (2008), who performed a similar research in the United Kingdom. Beer et al (2010) mention 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 (2010) 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.

### **2.11.1 Ownership**

The second reason for failure of strategy implementation is ownership of the strategy and related implementation activities. Giles (2009) names ownership as the most important reason for failure. If the strategy is not owned by the employees involved in the implementation, it may lead to counter implementation, which causes the organization to move in the wrong direction. Moreover, when key people in the formulation of the strategy are not participating in the implementation, ownership is lost in many cases, causing the increase of time needed for the implementation, or overall failure of implementation (Corboy et al, 2010;). The other way around, when the affected employees and managers are not at all involved in the formulation of the strategy it is also more difficult for them to feel ownership of the strategy (Alexander, 2009).

### **2.11.2 Lack of Resources**

Lack of resources, i.e. time and people, is another reason for failure of strategy implementation. For one, implementing strategy, in most cases, takes more time than expected or planned beforehand (Al-Ghamdi, 2008; Alexander, 2009). In the research of Alexander (2009) 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, 2010; Corboy et al, 2010). 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, 2010). 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, 2010).

### **2.11.3 Risk Identification**

Fourthly, important risks, due to internal and external factors, that could affect the implementation of strategy are not identified properly before the start of and during the implementation. Consequently, major problems can occur during the implementation, which causes delays or even inability to implement the strategy (Corboy et al, 2010; Al-Ghamdi, 2008; Alexander, 2009). Executives have stated that top management is likely to underestimate the likelihood of risks and may even be blind to the risks they face (Alexander, 2009).

### **2.11.4 Tasks and Responsibilities**

Not having clarity on the objectives of the strategy, the tasks and activities in the implementation, and the responsibilities that employees should take, could also have an adverse impact on the implementation of strategy. When the strategy is not completely understood by the employees involved in the implementation, it will be difficult for them to effectively work towards the determined goals. Moreover, if employees do not know which responsibilities they have, conflicts may arise, or activities may be forgotten all together (Beer et al, 2000; Corboy, 2010; Al-Ghamdi, 2008; Alexander, 2009).

### **2.11.5 Ineffective Communication**

Poor or ineffective communication, i.e. top-down, bottom-up and across functions and divisions, could negatively affect the strategy implementation. When information is not flowing effectively from bottom to top, top management may not be aware of problems jeopardizing the implementation of the strategy, and therefore, not able to respond to these problems (Beer et al, 2010; Al-Ghamdi, 2008; Alexander, 2009). The information flow does not only include people

communicating with each other but also information systems through which management is monitoring the implementation efforts. These, are in some cases, also not providing adequate information towards top management (Al-Ghamdi, 2008).

#### **2.11.6 Poor Strategy Formulation**

Finally, but definitely not least important, the formulation process does not always yield the expected result. What is labeled as strategy is actually not always a strategy but instead tactics or just objectives. A strategy should be of a long term nature, innovative, inspirational and stretching and it should have a direct impact on the customer and competitor (Corboy et al, 2010). Moreover, it should be realistic to implement the strategy. Although this may seem to be logical, strategies are often formulated without considering the implementation that is needed to actually put the strategy to action (Giles, 2009).

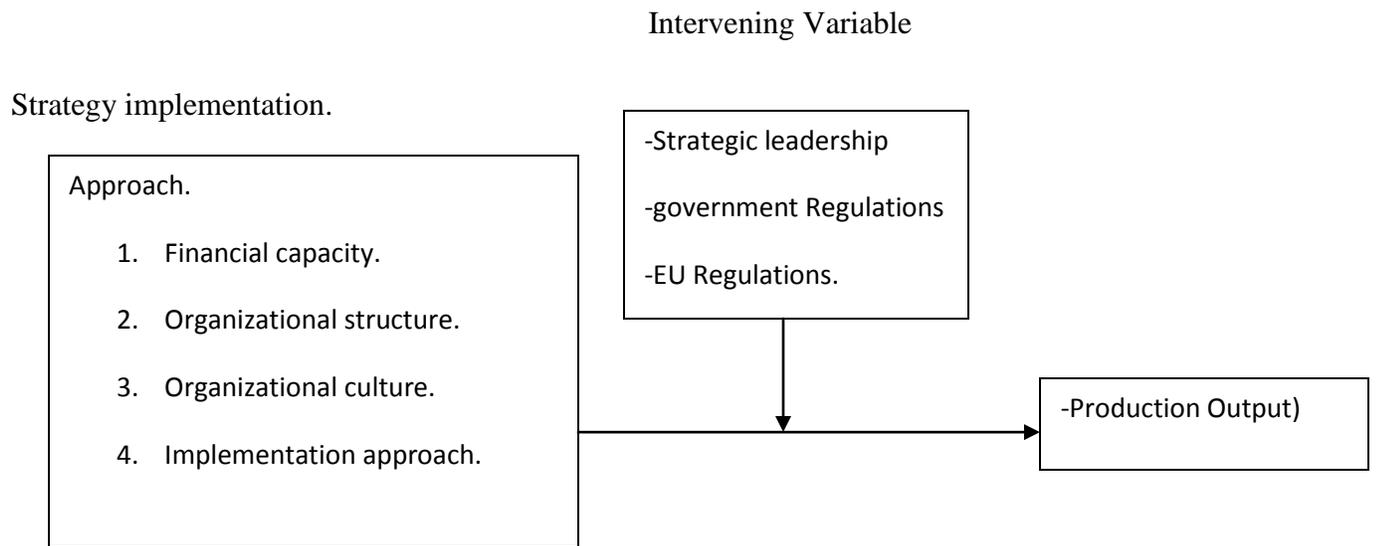
#### **2.12 Conceptual Framework**

The research variables are on two fronts; dependent variable which is production and the independent variable strategy implementation, comprising of long term objectives and functional tactics. This research therefore proposes the following conceptual framework that gives guidance as the research progresses. The strategy implementation variables comprises of the following;

- Implementation approach.
- Financial Capacity.
- Organizational structure.
- Organizational culture.

Strategic leadership, government regulations and European Union regulations would be intervening variables. The dependent variable is production Output.

**Figure 2.1: Conceptual framework**



Source; Researcher (2014)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the following aspects; research design, target population, sample size, sampling design, data collection tools, data collection procedure, and finally data analysis.

#### **3.2 Research Design**

Research design is a systematic plan for collecting data in order to provide answers to specific questions. It is a plan, structure and strategy which guides the collection and analysis of data in research. (Kunde, 2006).The research design that was used for this study was descriptive research design because the study aimed at collecting information from the respondents on their opinion in relation to how strategy implementation affects production at the flower farm. According to Orodho (2003), descriptive research is used when the problem is well defined. It involves fact finding and enquiries of different types

#### **3.3 Target population**

Target population in a research study comprises all those potential participants that could make up a study (Footer, 2004). The target population was the flower farms registered with the Kenya flower council, which were 98 in total. The research sample frame was drawn from this target population.

##### **3.3.1 Sampling Frame**

The sampling frame is comprehensive list of all the sampling units from which a sample can be selected and is required to define the population. The research sampling frame consisted of employees from the eight sections that is the general manager productions, general manager post harvest, general manager administrations, human resource manager, production managers, assistant managers, supervisors and the general workers. The board of directors, the executive director and the directors were purposely excluded from the study.

### 3.3.2 Sample size

To get the sample size, application of Nassiuma (2000) was used as follows.

$$n = \frac{NC^2}{C^2 + (N - 1)e^2}$$

N=population size, 98 flower farms. n=sample size (27), C=coefficient of variation(21%≤c≤30% assumption), e=standard error of sampling(2%≤e≤5%).

This gave a sample size of 26.5263, which was rounded to 27.

### 3.4 Sample Design

This research used stratified random sampling. The firms were grouped into large medium and small, with nine firms in each group. An initial sample was randomly purposefully selected representing the three levels of management that is top, middle and bottom management. Fieldwork was carried out and analyzed to find out whom to include in the list of respondents. This is because some respondents were not aware of most of the themes the research was interested in.

#### 3.4.1 Data collection tools

The research used semi-structured questionnaires during data collection. The questionnaires were administered to the research sample representing the three levels of the firm; top management, middle management and the bottom management. This is because strategy implementation is viewed differently at each level. The Likert scale was incorporated into the questionnaires and administered on respondents who decided if these; (5) absolutely apply to it (the feature in question), (4) apply to it, (3) are neutral to it, (2) do not apply to it, or (1) absolutely do not apply to it.

### 3.5 Data collection procedure

The questionnaire was used as the main tool for collecting primary data. In this research direct contact and face to face contact was adopted in distributing the questionnaires

### **3.6 Data Analysis**

Data analysis was an ongoing process that took place during the period of data collection. For example as research progressed some research questions had to be refined while others formed.

Data was organized and presented according to the research questions because these draw together all the relevant data for the exact issue of concern and preserves the coherence of the material (Cohen, Manion& Morrison 2007:468). In this approach, all the relevant data from various instruments was collated to provide a collective answer to a research question (Cohen et al 2007:468). Once the questionnaires were administered, the mass raw data was collected and systematically organized in a manner which facilitated analysis. The quantitative data was tabulated as a basis for analysis. The tabulated data was then be analyzed using the Statistical Package for Social Sciences (SPSS) to generate descriptive statistics. The qualitative data was coded to help summarize, quantify and classify the data into forms that was suitably used to prepare a report. The descriptive statistical and inferential methods that were used to analyze the data included frequency percentages. The data was summarized and presented in form of tables and charts.

### **3.7 Validity and Reliability of Research Instrument**

Validity, which is the consistency of the measure, is the degree to which data in a research study are accurate and credible while reliability is the degree to which an instrument will produce similar results at a different period (Gray, 2004). The researcher used Cronbach's alpha since it is a coefficient of internal consistency commonly used as an estimate of the reliability.

### **3.8 Ethical Measures**

The research supported the principle of voluntary participation. Data was collected with the informed consent of participants. Privacy and confidentiality of participants was assured and information sought would not be made available to anyone who is not directly involved in the study. The principal of anonymity was guaranteed by keeping the participants anonymous throughout the study.

## CHAPTER FOUR

### DATA ANALYSIS, DISCUSSIONS AND PRESENTATION.

#### 4.1 Introduction.

This chapter provides data analysis, presents the key findings of the study together with contextual interpretations of the findings. It is organized with description of the respondents coming first, followed by descriptive statistics of the study variables. Discussions of key findings are made to contextualize the study.

##### 4.1.1 Response rate.

Table 4.1 shows the response rate of the questionnaires.

**Table 4.1: questionnaire response rate.**

No. of questionnaires returned	Target No. of respondents	Response rate (%)
192	216	89

A high questionnaire response rate of 89% was obtained as shown in table 4.1. This response rate was acceptable according to Kothari (2004) and resulted from the researcher administered approach used to administer the instruments. This method also ensured that the respondents' queries concerning clarity were addressed at the point of data collection; however, caution was exercised so as not to introduce bias in the process.

#### 4.2 Descriptive statistics.

The aim of the descriptive statistics was to describe the general distributional properties of the data, to identify any unusual observations or any unusual patterns of observations that may cause problems for later analysis to be carried out on the data. Thus initial exploration of the data using simple descriptive tools was provided to describe the study respondents as well as summarize the data generated for the study. This section provides the descriptive statistics as per the objectives of the study.

#### 4.2.1 Demographic information.

The background information that was retained for analysis relating to the respondents included the age of the respondents, their gender distribution. The other respondent information initially sought in the questionnaire was not used due to missing values in certain cases. The results on the range of ages of the respondents are summarized in table 4.2

**Table 4.2(a): range of ages of the respondents.**

Age group (Years)	Frequency	Percent
21-30	51	26.56
31-40	71	36.98
41-50	66	34.38
51-64	4	2.08

The findings in table 4.2(a) shows that most (36.98%) of the respondents were aged between 31-40 years of age. The findings also indicate that the proportion among age groups were significantly different. Chi-square value 58.2917 being significant at 3 degrees of freedom. This implies that majority of the management and staffs at the flower farms were middle aged persons and very few respondents were in the 51-64 years category. The study also sought to determine the levels of education of the respondents and the results on this are given in table 4.2(b).

**Table 4.2(b) Level of education of respondents.**

Education level	Frequency	Percent	Chisq	Pr>Chisq
Secondary	54	28.13	47.17	<0.0001
Tertiary	22	11.46		
University	84	43.75		
Post-graduate	32	16.67		

The findings in table 4.2(b) reveal that most (43.75%) of the respondents had at least a university degree. The level of education was also significant to the study with the Chi-square value of 47.1667 being greater than the critical value at 3 degrees of freedom. This was expected since most of the respondents were in levels of management.

It was also imperative to analyze the respondents' years of working experience, as well as their gender. The findings on these are given in table 4.2(C).

**Table 4.2 (c) Years of working experience.**

<b>Experience (years)</b>	<b>Frequency</b>	<b>Percent</b>	<b>Chisq</b>	<b>Pr&gt;Chisq</b>
<b>Less than 5</b>	<b>18</b>	<b>9.38</b>	<b>44.79</b>	<b>&lt;0.0001</b>
<b>5-10 years</b>	<b>48</b>	<b>25.00</b>		
<b>10-15 years</b>	<b>83</b>	<b>43.23</b>		
<b>&gt;15 years</b>	<b>43</b>	<b>22.40</b>		

The results in table 4.2(c) suggest that majority (43.23%) of the respondents had worked for between 10 and 15 years, and were therefore in a better position to give information on strategy implementation, and the changes brought about by the implementation of strategy. The study also sought to reveal the gender of the respondents as summarized in table 4.2(d).

**Table 4.2(d). Gender of respondents.**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Female	104	54.17
Male	88	45.83

The results in table 4.2(d) show that most of the respondents were females.

### 4.3 Strategy formulation and implementation.

#### Strategy formulation and implementation

Strategy formulation and implementation had a total of 5 items. Three items related to the people involved in strategy formulation, and two items were related to the approaches used to implement the formulated strategies. All the measures were on a five point likert scale where 1=strongly agree,2=agree,3=no comment,4=disagree,5=strongly disagree.

**Table 4.3 Strategy formulation and implementation.**

	SA Freq(%)	A Freq(%)	N Freq(%)	D Freq(%)	SD Freq(%)	Chi square	Chi- Square
All farm employees are involved in strategy formulation.	0(0)	10(5.21)	12(6.25)	154(80.21)	16(8.33)	312.5	<0.001
Only line managers are involved in strategy formulation.	20(10.42)	83(43.23)	39(20.31)	30(15.63)	20(10.42)	71.2813	<0.001
Strategy formulation is the reserve for top management.	12(6.25)	50(26.04)	65(33.85)	55(28.65)	10(5.21)	68.2604	<0.001
The farm uses collaborative approach to implement strategy.	6(3.13)	167(86.98)	4(2.08)	10(5.21)	5(2.6)	538.8854	<0.001
The farm uses commander approach to implement strategy.	0(0)	12(6.25)	5(2.6)	170(88.54)	5(2.6)	414.125	<0.001

According to the results in table 4.3, strategy formulation is a reserve for top management and only line managers are involved in strategy formulation. Most farms in turn therefore employed the collaborative approach whereby, the leadership/management employs group dynamics and brainstorming techniques to get managers with differing points of view to contribute to the strategic planning process. The Collaborative Approach overcomes two key limitations inherent in the commander approach. By capturing information contributed by managers closer to operations, and by offering a forum for the expression of managers closer to operations, and by offering a forum for the expression of many viewpoints, it increases the quality and timeliness of the information incorporated in the strategy. And to the degree that participation enhances commitment to the strategy, it improves the chances of efficient implementation. However, according to Brodwin & Bourgeois III (2008), whereas the Collaborative Approach may gain more commitment than other approaches, it may also result in a poorer strategy.

#### **4.4 Strategy Implementation and production.**

Strategy implementation and production had a total of seven items. All the measures were on a five point likert scale where 1=strongly agree, 2=agree, 3=no comment, 4=disagree, 5=strongly disagree.

According to Smit (2011) formulated strategies will enhance production if properly implemented and this can only be possible if there is stability between strategy and organizational dimensions such as structure, culture, resource allocation etc.

He contends that the ability to translate a strategic plan into actions and improve performance can be a source of competitive advantage.

**Table 4.4 strategy implementation and production.**

	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq(%)	Chi square	P value
Farms' current mission statement is compatible with business activities being carried out.	145(75.52)	47(24.48)	0(0)	0(0)	0(0)	50.02	<.0001
Resources allocated for strategy implementation are adequate.	20(10.42)	141(73.44)	18(9.38)	13(6.77)	0(0)	240.79	<.0001
The farms' leadership supports employees to uphold the farms' strategic vision.	59(30.73)	123(64.06)	10(5.21)	0(0)	0(0)	100.34	<.0001
The farm has financial capacity to implement strategy.	54(28.13)	106(55.21)	20(10.42)	12(6.25)	0(0)	114.17	<.0001
The current organizational structure enhances strategy implementation.	62(32.29)	112(58.33)	16(8.33)	2(1.04)	0(0)	154.83	<.0001
The current organizational culture enhances strategy implementation.	63(32.81)	120(62.5)	7(3.65)	2(1.04)	0(0)	191.79	<.0001
Employees have a sense of ownership to the strategies they are implementing.	21(10.94)	54(28.13)	90(46.88)	20(10.42)	7(3.65)	118.05	<.0001

The findings in table 4.4 suggest that the flower farms' current mission statements are compatible with business activities being carried out by the farms,(100%) and that resources

allocated for strategy implementation are adequate (83.86%). Majority of the flower farms have the financial capacity to implement strategy (83.34%) while(94.79%)of the farms' leadership supports employees to uphold the farms' strategic vision. The current organizational structure (90.62%) enhances strategy implementation, whereas organizational culture (94.86%) enhances strategy implementation. Only (39.07%) of the employees had a sense of ownership to the strategies that they were implementing. This is understandable, since most employees are not involved in the strategy formulation, which is mainly a preserve for management. It further goes to affirm what Eppler, Guochui and Li (2008) contend. That strategy implementation success depends crucially on the human or people side of management, and less on organization and systems related factors. It further agrees with the work of Harrington (2006) that when there is a higher level in total organizational involvement during strategy implementation, production is enhanced. Most flower farms management places prominence on the culture and structure of the farm.The worksAaltonen and Ikavalko (2002) and Freedman (2003) infer that for strategy implementation to be effective the culture and structure of the organization must be open to change and this must have commensurate organizational structures in place that supports employees to uphold the organization's strategic vision in high esteem. This must be complemented by skills in the area of change management.

#### 4.5 Barriers to strategy implementation.

**Table 4.5 Barriers to strategy implementation.**

	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq (%)	Chi square	Pr>Chisq
Lack of clearly defined goals and objectives affects strategy implementation.	0	0	17(8.85)	94(48.96)	81(42.19)	53.09	<0.001
Poor resource allocation affects strategy implementation.	14(7.29)	24(12.5)	88(45.83)	66(34.38)	0	76.17	<0.001
Ineffective communication affects strategy implementation.	34(17.71)	26(13.54)	94(48.96)	29(15.1)	9(4.69)	109.82	<0.001
Lack of preparation for new roles affects strategy implementation.	52(27.08)	42(21.88)	80(41.67)	1(0.52)	17(8.85)	98.57	<0.001
Cultural issues affect strategy implementation.	0	0	30(15.63)	44(22.92)	118(61.46)	69.88	<0.001

The findings in table 4.5 reveal that a lack of preparation for new roles affects strategy implementation (48.96%), and that cultural issues do not negatively affect strategy implementation. (31.25%) of the respondents were of the opinion that ineffective communication affects strategy implementation. The research concurs with the findings of (Beer et al, 2010; Al-Ghamdi, 2008; Alexander, 2009). That poor or ineffective communication, i.e. top-down,

bottom-up and across functions and divisions, could negatively affect the strategy implementation. When information is not flowing effectively from bottom to top, top management may not be aware of problems jeopardizing the implementation of the strategy, and therefore, not able to respond to these problems. According to (Beer et al, 2000; Corboy, 2010; Al-Ghamdi, 2008; Alexander, 2009) not having clarity on the objectives of the strategy, the tasks and activities in the implementation, and the responsibilities that employees should take, could also have an adverse impact on the implementation of strategy. When the strategy is not completely understood by the employees involved in the implementation, it will be difficult for them to effectively work towards the determined goals. Moreover, if employees do not know which responsibilities they have, conflicts may arise, or activities may be forgotten all together. The flower farms had clearly defined goals and objectives.

#### 4.6 Greatest challenge facing farm in cut-flower industry.

**Table 4.6 Greatest challenge facing farm in cut-flower industry.**

	SA Freq(%)	AFreq(%)	N Freq(%)	DFreq(%)	SD Freq(%)	Chi square	P- value
Poor working conditions	0	0	26(13.54)	148(77.08)	18(9.38)	165.875	<.0001
Poor salary	28(14.58)	67(34.9)	90(46.88)	7(3.65)	0	87.625	<.0001
Inadequate information on flower production and marketing.	0	8(4.17)	114(59.38)	60(31.25)	10(5.21)	157.1667	<.0001
Health related issues	12(6.25)	41(21.35)	100(52.08)	9(4.69)	30(15.63)	141.4896	<.0001
Government and management restrictions.	17(8.85)	24(12.5)	98(51.04)	44(22.92)	9(4.69)	133.1563	<.0001
Other							

The findings in table 4.6 suggest that poor salary (49.48%) is the greatest challenge facing most farm workers in the cut-flower industry.

## **CHAPTER FIVE**

### **SUMMARY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides a summary of findings, draws conclusions from the findings upon which recommendations are made. Finally, it makes some recommendations and suggestions on areas of further study. The general objective of this study was to reveal the factors influencing strategy implementation on floriculture production by Kenyan flower farms. In particular, to reveal the strategies adopted by Kenyan flower farms, to determine the approach used to implement strategy, to assess how strategy implementation affects production, and to determine the barriers to effective strategy implementation.

#### **5.2 Summary of findings**

The findings reveal that strategy formulation is a reserve for top management and only line managers are involved in strategy formulation. Most farms in turn therefore employed the collaborative approach whereby, the leadership/management employs group dynamics and brainstorming techniques to get managers with differing points of view to contribute to the strategic planning process.

The study also revealed that resources allocated for strategy implementation are adequate, with majority of the flower farms having the financial capacity to implement strategy and that the farms' leadership supports employees to uphold the farms' strategic vision. The current organizational structure enhances strategy implementation, and so does organizational culture. A few of the employees had a sense of ownership to the strategies that they were implementing, and this is understandable, since most employees were not involved in the strategy formulation, which is mainly a preserve for management.

It also revealed that a lack of preparation for new roles affects strategy implementation and that cultural issues have very minimal effect on strategy implementation. A considerable number of

the respondents were of the opinion that ineffective communication affects strategy implementation.i.e. top-down, bottom-up and across functions and divisions, negatively affects the strategy implementation. When information is not flowing effectively from bottom to top, top management may not be aware of problems jeopardizing the implementation of the strategy, and therefore, not able to respond to these problems.

The findings also revealed that poor salary is the greatest challenge facing most farm workers in the cut-flower industry.

### **5.3 Conclusions.**

The study findings revealed that the farms willingness to allocate resources and their financial capacity, combined with a formidable organizational structure provided an enabling environment for effective strategy implementation. Effective strategy implementation in turn led to an increase in flower production

### **5.4 Recommendations.**

Collaborative approach seems to be working on most flower farms, but it would be even better if farm workers provided some input in some of the strategies they were implementing. An increase in workers remunerations would go a long way into motivating them.

### **5.5 Recommendations for further research.**

Further research should be conducted to determine the performance of flower farms using economic order design strategy, and also on the effectiveness of market flanking strategy.

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## **APPENDICES**

### **APPENDIX 1: Questionnaire distribution letter.**

Dear respondent,

My name is Duncan Ngari Nyaga a final year MBA (Strategic Management) student at Kabarak University. As part of my course work requirement, I am required to conduct a research in my area of study. In this regard, my research is on factors influencing strategy implementation on floriculture production in Kenya. Please take a moment and complete this questionnaire. Your responses will be kept confidential and will only be used for the purpose of the study.

Thank you.

## APPENDIX 2: QUESTIONNAIRE

Questionnaire on: Factors influencing Strategy Implementation on floriculture Production in Kenya.

### INSTRUCTIONS:

1. Please do not write your name on the questionnaire
2. If you are not clear about any question feel free to ask for clarification, but the research questions have been made simple to understand.
3. Tick where applicable.

### BACKGROUND INFORMATION.

Please put a (√) in the box next to the right response.

1. What is your level of management?

- (i) Top management (....)
- (ii) Middle management (....)
- (iii) Bottom management (....)

2. What is your gender?

- (i) Male (....)
- (ii) Female (....)

3. What is your age?

4. How long have you been with the firm?

5. What is your level of education?

- (i) Primary      (...)
- (ii) Secondary      (...)
- (iii) Polytechnic      (...)
- (iv) College      (...)
- (v) University      (...)
- (vi) Post graduate      (...)

6. Which competitive strategies have you enacted? Please put a (√) in the box next to the right response.

- i. Focus Strategy      (....)
- ii. Cost Leadership Strategy      (....)
- iii. Differentiation Strategy      (....)

7. a) Did the firm re-structure after the formulation of the strategies ?

- (i). YES      (....)
- (ii). NO      (....)

b) If yes, give expert comments of your answer

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8. What is the greatest challenge facing this firm in the cut-flower industry.

	SA	A	N	D	SD
Poor working conditions					
Poor salary					
Inadequate information on flower production and marketing.					
Health related issues					
Government and management restrictions.					
Other					

## **SECTION B**

**Key: SA-Strongly Agree, A-Agree, N-Neutral, D-Disagree, SD-Strongly Disagree.**

### **Strategy formulation and implementation.**

		SA	A	N	D	SD
1	All farm employees are involved in strategy formulation.					
2	Only line managers are involved in strategy formulation.					
3	Strategy formulation is the reserve for top management.					
4	The farm uses collaborative approach to implement strategy.					
5	The farm uses commander approach to implement strategy.					

**Strategy Implementation and production.**

		SA	A	N	D	SD
1	Farms' current mission statement is compatible with business activities being carried out.					
2	Resources allocated for strategy implementation are adequate.					
3	The farms' leadership supports employees to uphold the farms' strategic vision.					
4	The farm has financial capacity to implement strategy.					
5	The current organizational structure enhances strategy implementation.					
6	The current organizational culture enhances strategy implementation.					
7.	Employees have a sense of ownership to the strategies they are implementing.					

**Barriers to strategy implementation.**

		SA	A	N	D	SD
1	Lack of clearly defined goals and objectives affects strategy implementation.					
2	Poor resource allocation affects strategy implementation.					
3	Ineffective communication affects strategy implementation.					
4	Lack of preparation for new roles affects strategy implementation.					
5	Cultural issues affect strategy implementation.					

### APPENDIX 3: List of flower farms in Kenya.

#### Flower Growers Members

1	AAA Growers Ltd	51	Lemotit Flowers Ltd
2	Africallalily Kenya Ltd	52	Liki River Farm
3	Afriorganic (K) Ltd	53	Live Wire Ltd
4	Agriflora (K) Ltd	54	Lobelia Farm Ltd
5	Batian Flowers Ltd	55	Longonot Horticulture Ltd
6	Beauty Line Ltd	56	Maasai Flowers Ltd
7	Bigot Flowers Ltd	57	Magana Flowers (K) Ltd
8	Bilashaka Flowers Ltd	58	MajiMazuri Ltd
9	Black Petals Ltd	59	Maridadi Flowers Ltd
10	Blooming Oasis Ltd	60	Molly Flowers Ltd
11	Bobs Harries Ltd	61	Mosi Ltd
12	Carzan Flowers Ltd	62	Mt. Elgon Orchards Ltd
13	Charm Flowers Ltd	63	Nini Ltd
14	Colour Crops Ltd	64	OINjorowa Ltd
15	Countrywide Connections Ltd	65	OlijRozen (K) Ltd
16	Cruatti Services Ltd	66	OserianDev Co Ltd
17	De Ruiters E. A. Ltd	67	P J Dave Flora Ltd
18	Delamere Pivot Ltd (Vegpro Ltd)	68	P J Dave Flowers
19	Desire Flora Ltd	69	Panocal Int. Ltd
20	Embwen Ltd	70	Penta Flowers Ltd
21	Equator Flowers Ltd	71	Plantation Plants Ltd
22	Fairy Flowers Ltd	72	Pollen Ltd
23	Finlay Flowers Ltd	73	Primarosa Flowers Ltd
24	Florema (K) Ltd	74	Real IPM Co Ltd
25	Florensis Kenya Ltd	75	Red Lands Roses Ltd
26	Fontana Ltd	76	Roseto Ltd
27	FoxtonAgri (K) Ltd	77	Savanna International Ltd
28	Gorge Farm Ltd	78	SchreursNaivasha Ltd
29	Groove Ltd	79	Selecta Flowers Ltd
30	Hamwe Ltd	80	Shalimar Flowers (K) Ltd
31	Harvest Flowers Ltd	81	Simbi Roses Ltd
32	Highlands Plants Ltd	82	Sirgoek Flowers Ltd
33	Isinya Roses Ltd	83	Star Flowers (K) Ltd
34	Kakuzi Ltd (Horticulture)	84	Subati Flowers Ltd
35	Kantara Ltd(Thika)	85	Tamalu Ltd

36	Karen Roses Ltd	86	Tambuzi Ltd
37	Kariki Ltd	87	Terrasol (K) Ltd
38	Karuturi Ltd	88	Transebel Ltd
39	Kentalya Ltd	89	Tropiflora Ltd
40	Kenya Cuttings Ltd	90	Tulaga Flowers Ltd
41	Kenya Flower Council	91	Uhuru Flowers Ltd
42	Kenya Highland Nurseries Ltd	92	Valentine Growers Co Ltd
43	Kisima Flowers Ltd	93	Van Den Berg (K) Ltd
44	Kitawi Farm Ltd	94	Waridi Ltd
45	Kongoni River Farm Ltd(Timau)	95	Wildfire Ltd
46	Kreative Roses Ltd	96	Winchester Farm Ltd
47	Kudenga Ltd	97	Xpression Flowers Ltd
48	Lamorna Ltd	98	Zena Roses Ltd
49	Lathyflora Kenya Ltd		
50	Laurel Investment Ltd		

