FACTORS THAT INFLUENCE IMPLEMENTATION OF STRATEGIC PLANS IN SMALL AND MEDIUM ENTERPRISES IN KENYA

Theme: “The strategic angle adopted by SMEs for survival In Africa”

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ABSTRACT

The general objective of the study was to identify the determinants influencing implementation of strategic plans in Kenya SMEs. Specifically, the study attempted to achieve the following objectives: To determine the effect of organizational structure on implementation of strategic plans in SMEs in Kenya; To establish the effect of organizational culture on implementation of strategic plans in SMEs in Kenya; To explore the effect of leadership on implementation of strategic plans in SMEs in Kenya; To determine the effect of resource allocation on implementation of strategic plans in SMEs in Kenya and finally to establish the effect of communication on implementation of strategic plans in SMEs in Kenya. The population of the study comprised of KPMG top 100 SMEs in the year 2010, 2011 and 2012. These were small and medium enterprises that had been assessed according to the criteria set by KPMG. The target respondents comprised of the owners of the business and the managers in charge. The study revealed that strategic plan implementation has been facilitated by organization structure. This owes to the fact that organization structure specifies roles, procedures, governance mechanism and decision making processes thus providing a food medium through which strategic implementations are made. The study found that strategy implementation are hindered by resource allocation as different activities compete for same resources making implementation to be delayed by scarcity of resources and idle capacity due to poor flow of resources. Culture being the shared values, expectations and norms that are established in a business over time is very instrumental in strategic plan implementation. The study concludes that top management support and sub-ordinates willingness to achieve their leaders aim has helped with the implementation of strategic plans. For SMEs to improve on the implementation of strategic plans need to enhance of teamwork, accountability, transparency and communication. The study found that the respondents felt that organizational culture need to be enhanced to supports implementation and changed in tandem to be effective. The study also recommends that while there is congruence between leaders and subordinates objectives, leadership style needs to be changed as the latter hurts strategic plan implementation.
INTRODUCTION

1.1 Background of the Study

The essence of strategy is to attempt to relate the organization to the changes in the environment (Ansoff, 1988). For any organization, strategy helps in interrogating the long term plans and ensuring that there is harmony between the vision, mission, objectives, core values, activities and its environment. According to Thompson and Strickland (1989), strategy formulation and implementation are core management functions. The developed strategy may be good but if its implementation is poor the intended strategic objectives may not be achieved. To ensure survival and success, firms do not only need to formulate strategies that seek to constantly maintain a match between the organization and its environment but also must ensure appropriate execution of strategy at all levels. Success therefore calls for proactive approach to business (Pearce and Robinson, 2002).

According to Thompson and Strickland (1989), strategy implementation means acting on what has to be done internally to put the chosen strategy into place and to actually achieve the targeted results. They further argue that strategy implementation is primarily an administrative task that involves figuring out workable approaches to executing the strategy and then, during the day-to-day operations, getting people to accomplish their jobs in a strategy-supportive and results achieving fashion. Strategy implementation is the action phase of the strategic management process. It is the strategic phase in which staying close to the customer, achieving competitive advantage, and pursuing excellence become realities (Pearce and Robinson, 2002).

There are four possible strategy implementation outcomes. These outcomes include success, trouble, failure, and roulette. Success occurs if a good strategy is appropriately implemented, trouble occurs if a good strategy is poorly implemented, failure occurs if a poor strategy is poorly implemented, whereas roulette occurs if a poor strategy is appropriately implemented. Successful implementation of strategy involves operationalization and institutionalization of strategy. Thompson and Strickland (1989) argue that indeed, good strategy and good implementation are the most trustworthy proof of good management.

1.1.1 Concept of Strategy

The concept of strategy is multidimensional and has been expressed in different ways by strategic management scholars. Mintzeberg et al (2002), view strategy as the pattern or plan that integrates organizations major goals, policies and actions into a cohesive whole. Mintzeberg et al points out that strategy involves 5 Ps as follows, strategy as a plan, strategy as a ploy, strategy as a pattern, strategy as a position, and strategy as a perspective. A well formulated strategy helps an organization to marshal and allocate its resources into a unique and viable posture based on its relative internal competences and shortcomings, anticipated changes in the environment and contingent moves by competitors.

Small and Medium Enterprises in Kenya

Survey (RoK, 2012), the SME sector contributed 79.8% of new jobs created in Kenya. Consequently, Kenya’s development plans from 1989 to date put special emphasis on the contribution of small and medium size enterprises in the creation of employment in the country (RoK, 1989, 1994, 1997, 2009). Job creation in this sector went up by 5.1 percent in 2011. The increase was 445,900 indicating a higher growth in absolute terms compared to the increase of 437,300 registered in 2013.

Statement of the Problem
Thompson and Strickland (2003) are of the view that implementing strategy is tougher, more time consuming, and challenging than crafting strategy. Thompson and Strickland further report that practitioners emphatically agree that it is a whole lot easier to develop a sound strategic plan than it is to make it happen. Grundy (2005) points out that managing implementation and the organizational issues that go with it, is so frequently the graveyard of strategy.

Whereas successful strategy formulation depends on business vision, market analysis and entrepreneurial management, successful implementation depends on working through, organizing, motivating, and creating a strong fit between strategy and how the organization does things. According to David (2007), without understanding and commitment, strategy implementation efforts face major problems. Managers are prone to overlook implementation realities. David further indicated that only 10% of formulated strategies are successfully implemented.

Alexander (1985) claimed that the overwhelming majority of the literature has been on the formulation side of the strategy and only lip service has been given to the other side of the coin, namely strategy implementation. Unfortunately, the drama still continues and the balanced view toward the importance of both sides, formulation and implementation, has not yet been achieved. Consequently, companies are still facing major difficulties during the implementation process (Al-Ghamdi, 2008). According to Day and Reibstein (2007), in the light of the increasing intensity and velocity of competition, there is a growing feeling that the ability of managers to formulate and implement competitive strategies has not kept pace.

Obare (2006), Koske (2003), Lumiti (2007), Ateng (2007) noted that good strategies have been written but very little has been achieved in their implementation. Although these studies give a good inside about strategy implementation, the studies do not explain what determinants influences strategy implementation. In addition, these studies were not based in SMEs in Kenya. Given the pivotal role played by Kenya SMEs in the economic performance of our country, this gap motivated the researcher to undertake this study.

Objective of the Study
General Objective of the Study
The general objective of the study is to identify the determinants influencing implementation of strategic plans in Kenya SMEs.
Specific Objectives of the Study
The specific objectives of this study are;
   i. To determine the effect of organizational structure on implementation of strategic plans in SMEs in Kenya.
ii. To establish the effect of organizational culture on implementation of strategic plans in SMEs in Kenya.

iii. To explore the effect of leadership on implementation of strategic plans in SMEs in Kenya.

iv. To determine the effect of resource allocation on implementation of strategic plans in SMEs in Kenya.

v. To establish the effect of communication on implementation of strategic plans in SMEs in Kenya.

LITERATURE REVIEW

Empirical Review
Structure is the design of organizations through which the enterprises are administered, including lines of authority and data flow through the lines. Organizational structures are devised to administer enlarged activities and resources. Organizational structure is the firm’s formal configuration. It specifies roles, procedures, governance mechanism and decision making processes. Organizational structure is influenced by the organizations age and size and it acts as a framework, which reflects what a firm does and how tasks are completed, given the chosen strategy. Organization structure must be congruent with the strategy that is there must be a ‘fit’ between them (Ghoshal and Bartlett, 2005)

According to Kroon (2005), the choice of an organization structure is determined by the business strategy. Structure follows strategy and the two must be coordinated to ensure the best results. The organization structure that will result in most effective strategy implementation must be developed, taking into consideration the size of the business, diversification of the product range, rate of change in the environment and the need for information. Kroon further contends that organizing goals are derived from the strategy and goals of the business. The extent of activities and content of hierarchy of goals determine the manner in which the business is structured.

Kroon (2005) suggested that the organization structure that is developed must be practical and acceptable, and must follow the business strategy in order to make it possible to achieve the goals. The business organization structure consists of formal and an informal part. The formal organization structure is established by careful planning and indicates the jobs of the employees in the business. However, the informal organization refers to the formation of informal groups by the employees of a business. These groups develop spontaneously as a result of interaction and communication between employees. Kroon added that the informal group exists because of a man’s social needs. The informal organization can have a positive or a negative effect on the business activities.

According to David (2001), changes in strategy often require changes in the way organization is structured for two major reasons. First, structure largely dictates how objectives and policies will be established. For example, the format for objectives and policies established under a geographic organizational structure is couched in geographic terms. Objectives and policies are stated largely in terms of products in an organization whose structure is used on products groups. The structural format for developing objectives and policies can significantly impact all other strategy implementation activities.
Baker (2007) asserted that organizational structure can help or hinder, support or block strategic change. A good fit-for-purpose structure will enable changes, continuous or discontinuous, small or large, to be made effectively and efficiently.

According to Hoecklin (2005), culture dictates what groups of people pay attention to. It guides how the world is perceived, how the self is experienced and how life itself is organized. Kroon (2005) indicated that management philosophy determines the business culture. Each business has its own culture, just as each individual has his or her own personality. Business culture is the shared values, expectations and norms that are established in a business over time. It determines how things are done in the business, for example how problems are approached and priorities determined in the execution of the work. Successful implementation of a strategy demands a compatible business culture.

Burnes (2003) suggested that the strategic management of change is ‘essentially a culture and cognitive phenomenon’ rather than an analytical, rational exercise. Clarke (2004) stated that the essence of sustainable change is to understand the culture of the organization that is to be changed. If proposed changes contradict cultural biases and traditions, it is inevitable that they will be difficult to embed in the organization.

Sharma (2007) indicated that the culture of an organization may reflect in various forms and norms adopted by the organization such as the physical infrastructure, routine behaviour, language, ceremonies, gender equality, and equity payment. Creation of an appropriate work culture is a time consuming process. Culture communicates to people through symbols, values, physical settings, language and thereby supplements the rational management tool such as technology and structure. In his study, Okumus (2003) viewed organizational culture as the shared understanding of employees about how they do things within an organization. Okumus identified key issues in organizational culture as company’s culture and subcultures and their possible impact on the implementation process, impact of organizational culture on communication, coordination and cooperation between different management and functional levels, implications of the new strategy on the company’s culture and subcultures, and efforts and activities to change the company’s overall culture and subcultures and potential challenges.

Duck (2003) indicated that there is a general consensus that leadership is at the core of strategy implementation, while the strategic plan may have good ideas and guidelines, the challenge is in translating the ideas and following the guidelines that lead to concerted well guided effort to lead the change. According to Kroon (2005), leadership is the human factor that leads an institution towards realizing goals through voluntary co-operation of all the people in the business. A business often succeeds or fails because of the presence or absence of good leadership.

Kroon (2005) pointed out that leadership consists of the interaction between personalities and circumstances, as interpreted by the group. A particular relationship develops between a leader and his followers. The relationship implies that subordinate willingly strive to achieve the leaders aims and that leaders influence their subordinates. The leader also determines how subordinate should carry out assignments. In such a case subordinate are urged to a level of activity that they themselves never thought possible.
The manager’s responsibility lies in the use of power in such a way that subordinates are influenced to work harder and strive to achieve mutual objectives. Leadership depends on an ability to acquire and use power from both positional and personal sources. The importance of leadership to the strategic management process is underscored by the fact the process entails formulation and institutionalizing of the new approach (Elsenbach, Pillai and Watson, 2009). According to Goleman (2000), there are six styles of leadership which include coercive, authoritative, affiliative, democratic, pace setting, and coaching.

However, Goleman emphasizes that an effective leader is skilled at several of the basic style and has flexibility to switch between the styles as circumstances dictates. Leadership is the entire process of translating strategy into results and is essential in engaging the hearts and minds of the people. Goleman (2000) further contends that visionary leadership creates efficiency by moving decision making responsibility to the frontline. Saka (2003) point out that the success of implementing strategy is generally associated with those who facilitate the change process.

Okumus (2003) viewed leadership as the actual support and involvement of the Chief Executive Officer (CEO) in the strategic initiative. Leadership is crucial in using process factors and also in manipulating the internal context to create a context receptive to change. Okumus identified the following key issues in leadership actual involvement of the CEO in the strategy development and implementation process, level of support and backing from the CEO to the new strategy until it is completed, and open and covert messages coming from the CEO about the project and its importance.

**RESEARCH METHODOLOGY**

To meet the expectation of the sampling theory that all possible units in the target population be identified to enable probability for selecting a random combination be calculated. The study was a census of all the top 100 SMEs and therefore no sampling was required.

After questionnaires are received from the field, they were edited and prepared for keying in for processing. The questionnaires were then be keyed in computer using Excel and SPPS package. After data entry, the analyst verified the data files for any errors.

Data was analyzed using SPSS and Excel software from which summary tables were prepared. The next step was report writing where the research results were presented using simple descriptive statistics such as the mean, percentage ratios, and dispersions from which tables and bar graphs were derived.

This formed the basis of interpretation of the results; the researcher then represented these results in a report form. In addition, the researcher conducted a multiple regression analysis so as to determine the relationship between the implementation of strategic plans and the five independent variables. The regression equation (\( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon \)):

Whereby \( Y = \) Implementation of strategic Plans, \( X_1 = \) Organizational Structure \( X_2 = \) Organizational Culture, \( X_3 = \) Organizational Leadership \( X_4 = \) Resource Allocation, \( X_5 = \) Communication
DATA ANALYSIS AND PRESENTATION

Factors Influencing Implementation of Strategic Plans

The study sought to establish factors influencing implementation of strategic plans in SMEs in Kenya. The responses regarding to the statement that the organizations under study reporting relationship affected implementation of strategic plans had mean of 3.60; organization structure clearly specifying the work to be done had a mean of 3.31 while key implementation tasks being sufficiently designed had a mean of 3.24. The respondents’ responses on organizational structure supporting implementation of strategic plans had a mean of 2.93 and those who agreed to the statement that organizational structure is acceptable to employees had a mean of 2.92. This underscored the significance of reporting relationship being important in the implementation of strategic plans. The results also show that organization structure and sufficient definition of tasks to be implemented as important implementation of strategic plans.

Organizational Culture

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture supports implementation</td>
<td>3.18</td>
<td>0.861</td>
</tr>
<tr>
<td>Organizational culture should be changed to be effective</td>
<td>3.85</td>
<td>1.113</td>
</tr>
<tr>
<td>Information flow is free</td>
<td>2.64</td>
<td>1.306</td>
</tr>
<tr>
<td>Organizational vision is widely shared</td>
<td>3.21</td>
<td>1.063</td>
</tr>
</tbody>
</table>

The respondents who agreed to the statement that Organizational culture should be changed in order to be effective had a mean of 3.85 followed by the respondents who agreed to the statement that vision is widely shared at a mean of 3.21, the respondents who supported the statement that organizational culture supports implementation had a mean of 3.18 and finally, minority of the respondents (with a mean of 2.64) agreed to the statement that Information flow is free. This draws attention to the fact that while the Organizational culture is shared among the employee, majority of the respondents feel that the organization culture should be changed which would in turn influence implementation of strategic plans positively.

The study sought to find out how leadership influences implementation of strategic plans.

Leadership

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management support implementation</td>
<td>3.57</td>
<td>.850</td>
</tr>
<tr>
<td>Direction given by top management is adequate</td>
<td>2.92</td>
<td>.966</td>
</tr>
<tr>
<td>Formulatotrs of strategic plans are not active in implementation</td>
<td>3.23</td>
<td>.886</td>
</tr>
</tbody>
</table>
Management teams are accessible and open to juniors 2.68 1.026
Sub-ordinates willing to strive to achieve leaders aim 3.40 1.070

From the findings, the statement that top management support implementation had a mean of 3.57 followed the statement that subordinates are willing to strive to achieve leaders aim at a mean of 3.40; formulators of strategic plans not being active in implementation had a mean of 3.23, direction given by top management being adequate had a mean of 2.92 and management teams being accessible and open to juniors had a mean of 2.68.

The study sought to investigate whether leadership style inspires effective implementation of strategies at the enterprises under study.

**Resources Allocation**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasks and activities are adequately funded</td>
<td>1.70</td>
<td>0.808</td>
</tr>
<tr>
<td>Different activities compete for same resources</td>
<td>3.87</td>
<td>1.078</td>
</tr>
<tr>
<td>Implementation delayed by scarcity of resources</td>
<td>4.01</td>
<td>1.208</td>
</tr>
<tr>
<td>There is idle capacity due to poor flow of resources</td>
<td>3.76</td>
<td>1.280</td>
</tr>
</tbody>
</table>

The study investigated how resource allocation influenced implementation of strategic plans. The implementation being delayed by scarcity of resources had a mean of 4.01; different activities competing for same resources had a mean of 3.87. The responses to the statements that there is idle capacity due to poor flow of resources and tasks and activities being adequately funded had means of 3.76 and 1.70 respectively. This shows that scarcity of resources with different activities competing for same resources has overtime hindered implementation of strategic plans. The findings also show that while tasks and activities are adequately funded, idle capacity owing to poor flow of resources affect implementation of strategic plans.

The study sought to establish how communication influenced implementation of strategic plans in SMEs in Kenya.

**Communication**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision is adequately communicated</td>
<td>3.76</td>
<td>1.137</td>
</tr>
<tr>
<td>Organizational goals not sufficiently explained</td>
<td>2.84</td>
<td>1.125</td>
</tr>
</tbody>
</table>
Problems escalated by junior to management are not timely 3.71 .834 communicated

No open channels of communication 2.86 1.141

From the results in table 4.9 above the responses to the statement that vision is adequately communicated had a mean of 3.76, the statements that problems escalated by junior to management are not timely communicated, there is no open channel of communication and organizational goals not being sufficiently explained had means of 3.71, 2.86 and 2.86 respectively. His illustrated the fact that while vision is adequately communicated, more needs to be done in communicating problems escalated by junior to management.

The researcher sought to further investigate whether clear communication of changes in responsibility of employees influenced implementation of strategic plans.

Clear Communication of Changes in Responsibility of Employees

Eighty four (84.0) percent of the respondents said that clear communication of changes in responsibility of employees does not influence implementation of strategic plans while 16.0 percent had a differing opinion. This underscores the fact that lack of clear communication of changes in responsibility of employees has overtime hindered the implementation of strategic plans.

The study sought to find out how strategic plans are implemented at the organization under study.

Implementation of Strategic Plans

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization structure has been aligned to strategic plan</td>
<td>3.51</td>
<td>.946</td>
</tr>
<tr>
<td>Enhanced communication</td>
<td>3.22</td>
<td>.930</td>
</tr>
<tr>
<td>enhanced teamwork</td>
<td>3.38</td>
<td>.830</td>
</tr>
<tr>
<td>reforms are being undertaken</td>
<td>3.75</td>
<td>.808</td>
</tr>
<tr>
<td>Enhanced accountability and transparency</td>
<td>3.37</td>
<td>.891</td>
</tr>
</tbody>
</table>
The respondents who supported the statement that there is friendly service delivery had a mean of 3.77. The respondents who supported to statements that reforms are being undertaken, organizational structure has been aligned to strategic plan, there was enhanced teamwork, there was enhanced accountability and transparency and that there was enhanced communication had means of 3.75, 3.51, 3.38, 3.37 and 3.22 respectively. This illustrates that strategic plans implementation has been facilitated by friendly service delivery, reforms being undertaken, organization structure being aligned to strategic plan, teamwork and enhanced accountability and transparency.

Attribution of Successful Implementation of Strategic Plans to Revenue Collection

The researcher sought to establish whether successful implementation of strategic plans can be attributed to revenue collection. From the results in figure 4.4 above 95 percent of the respondents agreed that successful implementation of strategic plans can be attributed to revenue collection while 5 percent of the respondents had a different opinion account of the same. This illustrates that successful implementation of strategic plans is attributed to revenue collection.

Regression Analysis

Coefficient of Determination (R^2)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.742(a)</td>
<td>.551</td>
<td>.546</td>
<td>.46316</td>
</tr>
</tbody>
</table>


Predictors: (Constant), organizational structure, organizational culture, organizational leadership, resource allocation and communication
Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (implementation of strategic plans) that is explained by all the five independent variables (organizational structure, organizational culture, organizational leadership, resource allocation and communication).

The five independent variables that were studied, explain only 55.1% of the implementation of strategic plans as represented by the $R^2$. This therefore means the five independent variables only contribute about 55.1% to the implementation of strategic plans while other factors not studied in this research contributes 44.9% of the implementation of strategic plans.

Therefore, further research should be conducted to investigate the other factors (44.9%) that contribute to the implementation of strategic plans.

**ANOVA(b)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>6.347</td>
<td>2</td>
<td>3.173</td>
<td>1.899</td>
<td>.0151(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>621.530</td>
<td>372</td>
<td>1.671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>627.877</td>
<td>374</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The significance value is 0.0151 which is less that 0.05 thus the model is not statistically significance in predicting how organizational structure, organizational culture, organizational leadership, resource allocation and communication affect the implementation of strategic plans.

**Multiple Regression Analysis**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>1.334</td>
<td>.311</td>
<td>4.285</td>
<td>.000</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>0.144</td>
<td>-.193</td>
<td>-.876</td>
<td>.00387</td>
</tr>
<tr>
<td>organizational Culture</td>
<td>0.0196</td>
<td>0.0327</td>
<td>0.4069</td>
<td>0.016</td>
</tr>
<tr>
<td>organizational Leadership</td>
<td>0.1981</td>
<td>0.2325</td>
<td>2.7736</td>
<td>0.0062</td>
</tr>
</tbody>
</table>
Resource Allocation & Communication

<table>
<thead>
<tr>
<th></th>
<th>0.0288</th>
<th>0.0501</th>
<th>0.0484</th>
<th>0.5759</th>
<th>0.02655</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.140</td>
<td>0.020</td>
<td>0.013</td>
<td>0.714</td>
<td>0.0374</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)

Dependent Variable: implementation of strategic plans

The researcher conducted a multiple regression analysis so as to determine the relationship between the implementation of strategic plans and the five variables. The regression equation \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon \) will be:

\[
Y = 1.334 +0.144 X_1 +0.0196X_2 + 0.1981X_3+ 0.0288X_4 + 0.140X_5
\]

Whereby

\( Y \) = Implementation of strategic Plans

\( X_1 \) = Organizational Structure
\( X_2 \) = Organizational Culture
\( X_3 \) = Organizational Leadership
\( X_4 \) = Resource Allocation
\( X_5 \) = Communication

According to the regression equation established, taking all factors (organizational structure, organizational culture, organizational leadership, resource allocation and communication) constant at zero, the implementation of strategic plans will be 1.334. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in organizational structure will lead to a 0.144 increase in implementation of strategic plans. A unit increase in organizational culture will lead to a 0.0196 increase in implementation of strategic plans; a unit increase in organizational leadership will lead to a 0.1981 increase in implementation of strategic plans, a unit increase in resource allocation will lead to a 0.0288 increase in implementation of strategic plans while a unit increase in communication will lead to a 0.140 increase in implementation of strategic plans. This infers that organizational leadership contributed more to the implementation of strategic plans followed by organizational structure.

Conclusion

The conclusions of the study are drawn from the most significant factors presented in the preceding sections. To begin with, the study concludes that strategic plan implementation has been facilitated by organization structure. This owes to the fact that organization structure specifies roles, procedures, governance mechanism and decision making processes thus providing a food medium through which strategic implementations are made (Ghoshal and Bartlett, 2005). Organization structure in the SMEs under study instituted favourable institutional procedures, reporting relationship, adequate communication of organizational vision and revenue collection which influence strategic plan implementation.

The study concludes that strategy implementation are hindered by resource allocation as different activities compete for same resources making implementation to be delayed by scarcity of resources and idle capacity due to poor flow of resources. This
view was shared by Okumus (2003) who viewed resource allocation as the process of ensuring that all necessary time, financial resources, skills and knowledge are made available.

Culture being the shared values, expectations and norms that are established in a business over time is very instrumental in strategic plan implementation. The study concludes that top management support and sub-ordinates willingness to achieve their leaders aim has helped with the implementation of strategic plans.

Recommendations

For SMEs to improve on the implementation of strategic plans need to enhance of teamwork, accountability, transparency and communication. The study found that the respondents felt that organizational culture need to be enhanced to supports implementation and changed in tandem to be effective. The study also recommends that while there is congruence between leaders and subordinates objectives, leadership style needs to be changed as the latter hurts strategic plan implementation.

Areas for Further Research

The study suggests that further studies be done on effective means of training of employees with regard to overcoming challenges towards implementation of organizational goals because different organizations have unique external environmental factors that affect performance and the entrepreneurial orientation that leads to a high performance might differ.
REFERENCES


