The Management Perception on the Effect of Managerial Skills towards Challenges Of Strategy Implementation in Selected Sugar Companies in Kenya

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ABSTRACT
The sugar industry plays a key role in driving Kenya’s economy by contributing about 15% of the country’s Agricultural GDP. In overall terms, agriculture contributes nearly 27% of the Nation’s GDP. In the recent years, Kenya’s sugar sector’s performance has been on a downward trend despite good strategic planning efforts. While there is empirical evidence which suggests that strategic planning and implementation generate positive outcomes for organizations, some of the literature reviewed indicated that strategies fail at the point of implementation not at the formulation state, with most of the failure rate going as high as 90%. In the developing countries, little attention has been given to study the challenges of strategy implementation and almost none existent empirical study in the sugar sector. This study sought to find out the challenges of strategy implementation in the sugar companies in Kenya. The study sought to determine the effect of managerial skills on strategy implementation. The unit of analysis used in this study was the sugar companies while the unit of observation was the top, middle and lower level management of the sugar companies sampled. Descriptive and correlation research designs were used. A sample size of 122 respondents, representing 67% of the target population was applied. Stratified and simple random sampling methods were also used. Primary data was collected from the top, middle and lower management employees of the sampled sugar millers in Western Kenya using personal interviews guides. Data was analyzed and presented using the Statistical Package for Social Sciences (SPSS). Descriptive and inferential statistics were used to present the results of this study. The study established that managerial skills had a statistically effect in strategy implementation in Kenya’s sugar industry. The results suggest that the management of sugar companies should align their structures to support strategy implementation. Vertical and horizontal linkages should not breed bureaucracy but rather increase information flow, enhance communication and decision making by both management and their direct reports. Since reporting was one of the factors identified, it therefore means that with the right structures, reporting, monitoring, assessment and appraisal will be improved. The researcher proposes that the management of sugar companies should develops a matrix of affiliation, which is an important tool to ensure effective division of work between various sector stakeholders with regard to resourcing and implementation of agreed departmental priorities and resourcing for coordination effort (human, financial and technology such use of intranet web-based communication). This will ensure ownership and sustainability of strategies. In order to achieve organizational effectiveness, strategic human resource management should be embraced by the management of selected sugar companies in Kenya.

Key Words: Performance, Strategic Change and Strategy implementation, perception management
INTRODUCTION
Strategy management has generally had positive effects on the organizations performance in the 2000s (Hitt, Hoskisson & Ireland, 2011; Bambang, Arvand, & Ahmad, 2014). Strategy implementation is not only the biggest issue facing business today; it is something that nobody has explained satisfactorily. Other disciplines have no shortage of accumulated knowledge and literature Bossidy & Charan, 2011). The agriculture sector and in particular, agro-based industries has not been spared by these positive outcomes on application of strategic management. Strategy implementation is the second stage of the strategic management process and although it the most important stage with a myriad challenges, it’s an area of study that more often than not, it’s given less attention as compared to strategy formulation, (Tan, 2004). This study will therefore investigate challenges of strategy implementation encountered by sugar companies in Kenya which is an agriculture sector and a key pillar in achieving vision 2030. Agriculture is critical to the achievement of Vision 2030 (ROK, 2015) and its the mainstay of the Kenyan economy directly contributing 25 per cent of the GDP annually, and another 25 per cent indirectly (MOA, 2014). The sector accounts for 65 per cent of Kenya’s total exports and provides more than 70 per cent of informal employment in the rural areas (ROK, 2015). Aside from tea, coffee and flowers, sugarcane, is the most critical crop that feeds the Kenyan economy (Awino, Imaita & K’Obonyo, 2011). However, the sugar companies have had numerous challenges of under-performance (MOA, 2014). Sugar companies as well as the defunct Kenya Sugar Board, which is now referred to as the Sugar Directorate under AFFA, make robust strategies and plans. However, the biggest question is why have the good turn around plans not been translated to improvement in overall performance of the sugar companies? Sugar companies continue to receive cash bail out from the National Government for example in June 2015 Mumias Sugar Company received Kshs 1 billion shillings cash bail out against an expected cash bailout of Kshs 6billion (ROK, 2015). Other sugar companies such as Muhoroni and Miwani sugar factories have failed to come out of receivership for over 20 years. Persistent failure to pay sugarcane farmers on delivery of cane has caused arrears that have pushed sugar factories to near collapse due to huge debts. The Kenya National Federation of Sugarcane Farmers (KNFSF) is more often than not worried that losses and increased indebtedness are a recipe to drive companies into receivership.

Strategic management and more specifically strategy implementation has become a significant topic in today’s world of uncertainty (Speculand, 2014; Amrule, 2013; Lester & Parnell, 2008; Mauborgne & Kim, 2015). Organizational competitive advantage rests on the ability of organizations to scan proactively and executive strategies (Qiu, 2008; Anderson, 2015) while ensuring that the strategy development and strategy execution remains a “fair process” (Mauborgne & Kim, 2015). Strategic decisions are crucial to ensure heterogeneity of organizational behavior and creation of value as well creation of new value (Kaplan, Norton & Barrows, 2011). To win in the future, companies must stop competing with each other and the only way to beat competition is to stop trying to beat competition, (Mauborgne & Kim, 2015). A critical question in research on strategic management has been to answer the questions of "why do some organizations establish successfully and some fail?” and "what are the processes that allow organizations to establish successfully in business?”(Collis and Rukstad, 2008) whereas some, CEOs cry “help! My ocean is turning red” (Mauborgne & Kim, 2015). Going by this scholarly articulation, there is therefore inadequate research on the influence of strategic management processes on the performance of the sugar millers in Kenya. Therefore, this research aims to explore the influence of strategic management process and the performance of the Kenyan sugar millers. There is no doubt strategic thinking is increasingly vital and developing strategy does not get any easier (Anderson, 2015). The cardinal rule in the business world is that enterprises are created to achieve the long-term and short-term objectives of their stakeholders. To achieve the goals and objectives, most enterprises use their strategic planning in order to select the right strategies and manage the internal environment. The planning also allows them to identify their competitive advantage and decide how to adapt to the changes in economic conditions and government policies (Bartol et al, 2001; Grant, 2003;Johnsons and Scholes, 2002; Aiyabei, 2013). Other studies have identified that strategic management as the process of setting and accomplishing goals through the use of human, R&D, technical, and financial resources within the context of the environment (Drury, 2005;
In any industry, strategic management processes namely; environmental scanning, strategy formulation, strategy implementation, control and evaluation, have a significant role in enabling manufacturing industries to adapt to changing environments as well as sustaining their performance (Pearce and Robinson, 2011). Strategic management therefore emphasizes long term performance of a firm, (Wheelen & Hunger, 2006) and improve its chances of success (Schwenk & Shrader, 1995; Qi, 2010; Pearce & Robinson, 2011).

**Strategy Implementation**

Strategy implementation is quite often difficult than formulation of strategy and its failure is attributed to management (Hrebniak, 2006). The successful implementation of strong and robust strategies will give any organization a significant competitive edge (Maas, 2008; Speculand, 2014), especially in industries where unique strategies are difficult to achieve (Noble, 2009). Strategy implementation is even more important in turbulent times such as the sugar industry in Kenya, which has experienced many turbulent times as they compete with cheap sugar from the COMESA countries in addition to delayed payment of suppliers, farmers, under capacity utilization and frequent uncoordinated closures of sugar companies. The sugar industry environment in Kenya, in which the millers operate in, whether public or private, is increasingly dynamic and even turbulent (Volberda, 2006; D’Aveni, 2009; ROK, 2015). The attainment of an appropriate match, or “fit”, between an organizations environment and its strategy, structure, culture and processes has positive effects on the organization’s performance (Wheelen & Hunger, 2006). Increasing stock of unsold sugar in the industry has a negative impact on the sugar industry which the Kenyan sugar industry has experienced in the recent past. Globally, the Kenyan sugar industry is the one of the most lucrative investment, only second to the European Union, (World Bank, 2013). Effective strategy implementation has positive effects that include improved performance, improved management efficiency and effectiveness and innovation, (D’Aveni, 2009). Moreover, structural failures in modern corporations and abuses of corporate power have triggered a collapse in public confidence (Garegnani, Merlotti, & Russo, 2015). According to Hrebniak (2006), most managers know so much about strategy formulation than they do about strategy implementation, yet implementation should be given more emphasis. Zagotta and Robinson (2002) postulates that most companies do not have the tools to execute strategy successfully. According to Sorooshian, Norzima, Yusof and Rosnah (2010), failure of strategy implementation efforts causes enormous costs to the organization that includes wastage of resources, considerable amount of time, leads to lower productivity, lower employee morale, diminished trust and faith in senior management, inefficient use of resources and decline in performance. Jooste and Fourie (2009) indicate that the high failure rate of strategic change initiatives can be attributable to poor implementation of new strategies, and the lack of strategic leadership have been identified as one of the major barriers to effective strategy implementation. Most companies have the know how to create strategy, and this is evident in the sugar sector where individual sugar companies have often developed strategic plans aimed at making them competitive and profitable. As earlier highlighted, (Tan, 2004) indicates that strategy implementation is an important stage in strategic management process, yet not much study, particularly in developing countries, has been given to it as compared to strategy formulation. This study concentrates on challenges of strategy implementation in the sugar companies in Kenya.

**Kenyan Sugar Industry**

The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi Sugar company in 1927 and after independence six additional companies were established i.e. Muhoroni in 1966; Chemelil in 1968, Mumias in 1973; Nzoia In 1978; South Nyanza in 1979; West Kenyain 1981 and Soin in 2006. These parastatals were formed in order to accelerate socioeconomic development, address regional economic imbalances, increase Kenyan citizen’s participation in the economy, promote indigenous entrepreneurship and promote investment through joint ventures (Kenya Sugar Board, 2014). The Kenyan sugarcane industry is a major employer and contributor to the national economy. Sugarcane is one of the most important crops in the economy alongside tea, coffee, horticulture and maize (ROK, 2014). By far, the largest contribution of the sugarcane industry is its silent
contribution to the fabric of communities and rural economies in the sugar belts (Awino, Imaita & K’Obonyo, 2011). Farm households and rural businesses depend on the injection of cash derived from the industry. The survival of small towns and market places is also dependent on the incomes from the same. The industry is intricately weaved into the rural economies of most areas in western Kenya. Besides the socio-economic contributions, the industry also provides raw materials for other industries such as bagasse for power co-generation and molasses for a wide range of industrial products including ethanol. Molasses is also a key ingredient in the manufacturing of various industrial products such as beverages, confectionery and pharmaceuticals. Kenya has an annual sugar deficit of around 200,000 tones as indicated in table 1.1 in the annex, which is usually filled by imports from the other producers in the region (KSB, 2014). The country is struggling to improve output due to relatively high production costs and loss making sugar factories (MoA, 2015). Kenya Sugar Board said Kenya produced 591,658 tons of sugar in 2014, 1.4 per cent drop from a record harvest of 600,179 tons in 2013. The sugar industry also experiences unregulated and uncoordinated closure of factories by the millers. An example is when in 2014 Mumias sugar factory in Western Kenya was closed for a period to allow its cane to mature and for maintenance (MOA, 2015). There was also an unscheduled closure of Kibos Sugar factory after its boiler broke down, as well as scheduled shutdown of West Kenya sugar Company for maintenance (MOA, 2015). As earlier highlighted, Sugar companies such as Muhoroni sugar company and Miwani sugar factory have failed to come out of receivership for over 20 years. Persistent failure to pay sugarcane farmers on delivery of cane has caused arrears that have pushed sugar factories to near collapse due to huge debts. The Kenya National Federation of Sugarcane Farmers (KNFSF) is more often than not worried that losses and increased indebtedness are a recipe to drive companies into receivership. In Kenya, all the sugar companies have developed strategic plans but the major question that remains unanswered is their implementation, what challenges do they face in their execution? **Study Problem** Despite good strategic planning, in the last five years, the performance of the sugar companies in Kenya is under crisis and is not showing signs of improvement. And most critically the annual production from the eleven sugar millers has not met domestic consumptions nor matched annual forecasted estimates (MOA, 2015). According to a study by Fortune magazine in 2009, 90% of the strategies are unsuccessful while Kaplan and Norton (2011) identified that more than 90% of the strategic initiatives fail not due to formulation but implementation challenges. Similarly Raps (2004) indicates that the rate of successful implemented strategies is between 10-30% implying that the rate of failure is between 70% and 90%. The weak application of strategies is the single most important cause of unsuccessful strategy implementation (Waterman, Peters & Phillips, 2008). Organizations incur enormous costs which are attributed to failure of strategy implementation and therefore lack of preparedness to organizational goals. Effective strategy implementation has been used successfully by non-performing organizations to prepare for the challenges of the future and improve on their long-term performance (Zafar, Babar, & Abbas, 2013; Garegnani, Merlotti, & Russo, 2015). According to the Kenya Sugar Industry strategic plan 2010-2014, all sugar industries need to be privatized in order to compete effectively. Despite developing strategic plans, public sugar companies in Kenya rely on Government cash bail out to make them survive. For example Mumias Sugar Company received over Kshs 1 billion in June, 2015 from the National Treasury against an unexpected over Kshs 6 billion (RoK, 2015). The industry produces 68% of Kenya’s domestic sugar requirement, making the country a net importer of sugar (RoK, 2013). The decline in sugarcane production and sugar output can be attributed to the existing major problems in the industry; the rising level of inefficiency in sugar production, milling and transportation. Due to factors attributed to performance, the Kenya sugar industry has not met COMESA sugar safeguards for the last 12 years, since 2001 (ROK, 2014). This has resulted in the Government of Kenya request for extension of the COMESA safeguards year in year out. Kenya’s sugar production has recorded under production from the various sugar millers, against what is expected from the forecasted annual production (MOA, 2015). According to Delmar and Shane (2003), strategic implementation increases the chances of survival of a business, improves product development process.
and the organization of a newly created companies. The impending expiry of preferential trade tariff prices from the COMESA region in 2016 will complicate matters to the local millers as there sugar will compete with cheap imported sugar. Aside from tea, coffee and flowers, sugarcane, is the most critical crop that feeds the economy, (Awinio, Imaita, & K’Obonyo, 2009). Specifically, the economies of 11 counties in Kenya are heavily depended on the sugar industry (ROK, 2014). The sugar industry is a major contributor to the agricultural sector which is the mainstay of the economy and supports livelihoods of at least 25% of the Kenyan population (Awinio, Imaita, & K’Obonyo, 2009).

Although, there has been increased interest in understanding the problems facing the sugar sector in Kenya, there is an apparent limited literature on the challenges of strategy implementation and its effect on the performance of the sugar companies. Theoretical studies on strategy implementation and empirical studies on successful strategy implementation have mostly been carried out in developing world (Okumus, 2001) and in other sectors. According to Aldehayyat and Twaissi (2011), there is inadequate literature addressing the linkage between strategy implementation and the performance of firms, small and micro-entreprises in Africa. The literature that is existing has provided general conclusions on management related factors, (Njanja and Pellesier, 2010; Beaver & Prince, 2002; Amrule, 2013). In addition, most of the literature that exists has focussed on financial performance measures (Kargar & Blumenthal, 1994). However, according Qi (2010), it is not enough to analyse a firm’s performance using financial outputs alone because the environment in which firms operate in is quite dynamic and ever changing. Firm performance can be influenced by other strategy implementation. Despite well crafted strategies, the sugar companies are facing strategic issues such as capacity underutilization, lack of regular factory maintenance, poor transport infrastructure, and weak corporate governance, sustained under production that leads to sugar imports to meet the ever-increasing domestic demand. Unlike war, however, history shows us that the market universe has never been constant; rather, blue oceans have continuously been created over time (Kim & Mauborgne, 2015). The role of the sugar sector in Kenya’s national development and achievement of Vision 2030 cannot be over emphasised. It’s therefore of great interest to scholars, policy makers, managers and other stakeholders to know from empirical research the challenges of strategy implementation faced by the sugar companies in Kenya. With respect to Kenya, none of the previous studies have examined the challenges of strategy implementation by sugar companies and this study aimed at filling this gap in existing literature.

Objectives of the Study
The main objective of this study was to determine the challenges of strategy implementation in the sugar companies in Kenya. Specifically, the study examined the effect of managerial skills on strategy Implementation in Sugar Companies in Kenya.

LITERATURE REVIEW
The Concept of Strategic Management
The performance of any business organization in a competitive economy is highly dependent upon the quality of its management via effective implementation of strategic plans. Strategic management is the need of the organization and is an on-going debate. Strategic management has been successfully used by the ailing corporate organization to prepare for the challenges of the future and improve long-term performance (Zafa, Babar, & Abbas, 2013). In the current business world, knowledge evolves rapidly and the useful lifespan of the organizational skills is decreasing, which means the survival and competitiveness of organization is linked to its ability to learn and include its findings in their strategic management (Pearson & Robison, 2011 ). The formulation of strategy is very important for any organization but the most important stage that will cause significant differences is the stage of implementing the strategy which has been crafted (Kotter, 1990). More than 70% of the organizations come up with excellent strategies but they face many bottle necks when it comes to translating them into action.
Elements Of Strategic Management

There are four key elements of strategic management: environmental scanning, strategy formulation, strategy implementation, evaluation and control. In this ever-changing world the corporate also have to look at corporate governance, social responsibility and business ethics while making strategies. Environmental scanning is a process of scanning the evaluating the environmental factors (internal-looking at strengths and weaknesses and external-looking at threats and opportunities) so as to identify threats and opportunities. Strategic planning is a management process developed for the purpose of intentional strategy development (Jarzabkowski, 2005). Strategic planning has many favorable effects to a firm that include improvement in firm performance, it improves management efficiency which in turn leads to better ability to identify and maximize on market opportunities (Amrule, 2013). According to Skrt & Antotic (2004), strategic planning became mandatory for entrepreneurs in the context of global competition, technological change, and market dynamics. Strategic decisions are crucial to ensure heterogeneity of organizational behavior and creation of value as well creation of new value (Kaplan et al., 2011).

Omran & Korshid (2014) indicate that policy and decision makers need an intelligent, robust and more confidence mechanism to help them analyze the future impacts and overcomes the future high uncertainty and complexity of the business environment. All environmental scanning and analysis methods in literature help the decision makers in the strategic decision process. It has been observed that strategy concerns what an organization is doing in order to gain a sustainable competitive advantage (Porter, 1980). The principal concern of an organization strategy is identifying the business areas in which an organization should participate in to maximize its long run profitability. Johnson and Scholes (2004) view strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment, to meet the needs of markets and fulfill stakeholders’ expectations (Mauborgne & Kim, 2015). Johnson and Scholes (2004) points out that strategy comprises actions employed to meet a firm’s long-term objectives. Strategy, according to Jones & Hill Jones (2009) is an action that a company takes to attain one or more of its goals and therefore superior performance. Strategy is the pattern of organizational moves and managerial approaches used to achieve organizational objectives and to pursue the organization’s mission (Thompson & Strickland, 2010). Raps (2004) in a more elaborative version, recognized strategy as the pattern of major objectives, purposes or goals, stated in such a way as to define what business the company is in or is to be in, and the kind of company it is to be. Porter et al., (2004) views strategy as the creation of a unique and valuable position involving a different set of activities. Strategy is a means of solving strategic problems, which are a mismatch between the internal characteristics of an organization and the external environment, to exploit opportunities existing in the external environment (Raps, 2004).

A review of the literature by Noble (1999) reveals that, as with ‘strategy’, there is no universally accepted meaning of ‘implementation’. In addition, most of the definitions on strategy implementation are rather general in nature (Miller, 1979). Most allude to a process by which the formulated strategy is to be implemented. The most common view on strategy implementation is that it is ‘a relatively straightforward operationalization of a clearly articulated strategic plan’ as argued by Noble (1999). How this operationalization is to be done, or how this process can be characterized remains largely unspecified. Only a few definitions (Hrebiniak, 2005; Wheelen & Hunger, 2006) refer to concrete activities and systems such as organization structures, personnel actions, control systems, Programs, budgets, procedures, and job requirements. In this study, we define strategy implementation as ‘the sum total of the activities and choices required for the execution of a strategic plan’ (Wheelen & Hunger, 2006). The question of how strategic planning contributes to performance has spawned many studies but no vigorous and consistent findings. The contribution of this area of research has been limited by the inconsistency of its measurement schemes, and priori assumptions of strategic planning dimensions and factors. For example, Greenley (1986) conducted an empirical study that has focused on the relationship of strategic planning to overall firm’s performance in manufacturing companies. Five out of nine studies reviewed claimed a positive relationship and four did not.
The first step to develop and implement strategic initiatives is their selective initiation based on the environment, since the potential for future competitive advantage depends on a company’s ability to imagine markets and opportunities before competitors (Hamel & Prahalad, 1994) Furthermore, the generation of new ideas, it has been argued depends on individuals who routinely and repeatedly interact, share, and form similar information and parallel beliefs (Kotler, Keller & Burton, 2009). There are key individuals, who may or may not be readily apparent, who extend their relationships beyond their own cluster to seek novel information, new ideas, and new opportunities (Freeman, 2001; Kotler, Keller & Burton, 2009). Therefore, those individuals, mainly 'managers' but including others, will gain insights into strategic issues and opportunities not apparent to others in similar positions.

The strategy framework developed by Kaplan, Norton and Barrows (2011) provides organizations with key questions which should guide an evaluation of the developed strategies and the corrections that need to be taken.

Strategy implementation is where the rubber meets the road. The strategy implementation literature suggests two overall reasons why a plan or strategy can fail: the strategy itself is inadequate or it is not properly implemented (Machuki, 2011; McChesney, Covey, Huling & Kaicker, 2014). Strategy evaluation and control ensures that the goals, objectives are in tandem with the desired direction of the organization, mission and vision. Bossidy and Charan (2002) state that strategy implementation is the great-unaddressed issue in the business world today yet it has an overall influence on the performance of firms (Aosa, 1992). Its absence is the single biggest obstruction to success and cause of most of the disappointments that are mistakenly attributed to other causes. Organizations fail not at the point of developing strategies but over at the point of implementation the strategic plans which they spend long hours, their meager resources in the form of human effort, financial resources and technical effort, to develop.

Managerial Skills and Strategy Implementation

According to Armstrong (2011), strategic human resource management has been taken up by consultants, practitioners and academia. However, the integration of human resource strategy with the overall business strategy is often easier said than done. Managerial skills comprise of technical, human and conceptual skills (Freeman, 2001). Technical skills is the ability to use the procedures, techniques and knowledge of a specialized field, while human skills is the ability to work with, understand and motivate other people as individuals or in groups. Conceptual skills on the other hand is the ability to coordinate all of an organization’s interests and activities, seeing the organization as a whole, understanding how its parts depend on one another and anticipating how a change in any of the parts will affect the whole organization. The role of management in strategy implementation cannot be over emphasized because they determine how the organization will respond to strategy execution process. It creates awareness on the benefits of the new strategies and explain the roles of each individual, group or division or department in the new strategy, highlighting challenges and grey areas.

According to Maxwell (2013) and McChesney, Covey, Huling, Kaicker (2014) observes that management is the art of getting things done through and with people in formally organized groups while Henry Fayol asserts that to manage is to forecast and to plan, to organize, to command, to co-ordinate and to control. Management is both art and science. It is the art of making people more effective than they would have been without you. The science is in how you do that. There are four basic pillars: plan, organize, direct, and monitor (Jones and Hill, 2009). In a study conducted by Thach and Thompson (2007) on examining leadership competencies between for profit and non-profit leaders revealed that commonly referenced competencies for successful strategy implementation include: technical competence, honesty and integrity, diversity consciousness, communication, change management, problem-solving skills, customer focus, business skills, emotional intelligence, social and environment responsibility, interpersonal skills, decision making skills, political savvy, strategic and visionary leadership and influence skills. The success of strategy implementation will be determined by a leaders ability to identify their competencies and utilize them.
A study by Garegnani, Merlotti and Russo (2015) found out managerial characteristics to be closely associated with the implementation of good and effective ethics in organizations. According to a study by Bolton (2008) corporate boards have the power to make, or at least ratify all important decisions including decisions about investments policy, management policy and corporate governance itself. He also argued that board members with appropriate stock ownership will have an incentive to provide effective monitoring and oversight of decisions and therefore board independence or ownership can be a good proxy for good corporate governance. Board composition can be defined in different way and there is no commonly agreed upon definition (Ross, 2005). The most common is the representation in the board reflecting the independence of the board. The fundamental function of the board are advising and controlling, or monitoring and therefore the corporate framework should ensure the strategic guidance of the sugar miller meet this and accountability to the shareholders and the company at large (Stewart, 2010). The diversity of the board of governance is important and OECD principles on corporate entities provides that at least half of the board’s members need to be independent, which implies no close or personal ties to the company, and it should be appropriate size in relation to the organization’s complexity while ensuring a certain degree of diversity among the board members regarding their backgrounds, areas of expertise, and experience among many others (Stewart, 2010). According to Carver (2002), a stakeholder’s oriented approach uses boards of trustees in their stewardship role due to moral obligations as a justification for board diversity.

A study carried out 2001- 2007 of Nordic firms found that diversity along the measures of gender, qualifications, nationality and age dispersion has a positive impact on firm performance with respect to value return on assets and growth (Gregoric et al., 2009). Additionally, Britain’s Cadbury Report of 1992 calls on boards to take responsibility for the governance of their firms and should at least have three independent directors in the board. On the other hand Canada’s Dey Report recommends that the board needs to explicitly assume responsibility for governance, including leadership, information, risk management and stewardship (CDR, 1994). In studying strategy implementation, the functions of managers as organizational leaders need to be understood. Earlier scholars, Burns (1978) suggested the concept of transformational change in organizations is usually identified with leadership. Mullins (2010) claimed that leadership is a “relationship through which one person influences the behavior or action of other people”. With a shared strategic vision and commitment to that vision, people will motivate themselves to learn, this also helps to identify the strategic objective to be accomplished by the organization. Leadership is one of the many factors which can impact upon the development and implementation of strategy. Guffy (1992) investigated, at least in part, the demographic impact on communication and the most effective level of management perceived by employees in terms of communication.

A study by Howell and Costley (2006), about effective leadership behavior in which 38 organizations were studied, stated that, "Effective champions are distinguished by three behaviors that is conveying confidence and enthusiasm about the innovation, secondly, enlisting the support and involvement of key stakeholders, and thirdly persisting in the face of adversity.” Matepere et al., (2012), conducted study on the strategic role of leadership in strategy implementation in Zimbabwe’s state owned firms and found that most of the top leaders failed (at 65% of respondents) to formulate and articulate worthwhile vision for chosen strategies and their implementation efforts. The study also indicated that at least 54% of the respondents were of the opinion that top management used their technical skills to lead strategy implementation. The study revealed that most strategies failed due to the inability of of the leaders to make use of their various skills to create awareness and show the strategy implementation roadmap. The study recommended that top management should make use of their technical, human and conceptual skills to create the need for change and enhance strategy implementation.

According to a study by Brannen (2005), in order to improve execution, issues that need to be tackled include; inadequate resources, organization cultural barriers, ill-defined action plans, poor communication, and poorly defined accountabilities. Managers should use efficient skills and methods to enable successful strategy implementation. In addition empowerment skills can be an obstacle to strategy
implementation. This was a new finding from the study, that giving people freedom or authority to execute strategy can be a serious obstacle. Research suggests that senior-level leaders are more than willing to communicate, but they often approach the task on a tactical rather than a strategic level (Clampitt, Berk, & Williams, 2002). In addition, these same people are trained to plan but not execute plans (Hrebiniak, 2005). While the reader may perceive strategy implementation to be complex, sufficient allocation of resources together with thorough research of the market place will boost chances of success. CEOs must endeavor to identify the markets that bear upon the strategy, set up contingency plans, put in place various measures to cope up with unexpected changes in the market environment. In a survey conducted in association with Robert Kaplan of the Harvard Business School and Business Intelligence (Rousseau & Rousseau, 1999), more than 40% of senior managers and more than 90% of all employees stated they did not believe they had a clear understanding of their company's strategy. Thus, researcher concludes that successful strategy implementation is determined by the logical decisions and actions of all employees at all levels of the organization, and not just by a few people.

METHODOLOGY
This study adopted a descriptive research design. The study targeted various senior staff in all levels of management and this will form the target population. Data was collected from a sample size of 122 by use of interview guide. Stratified and simple random sampling techniques were used to determine the sample size.

RESULTS AND DISCUSSION
Response Rate
The sample of the study consisted of 3 sugar companies while the target population was 122 top, middle and lower level managers. Due to the busy schedules of the managers, they filled out questionnaires at their own convenience and once they were filled, the questionnaires were collected by the researcher. A total of 111 responses were received, translating into 90.98% response rate. This response rate was considered appropriate for data analysis and presentation.

Gender Distribution
The study sought to find the gender of the respondents. Table 1 indicates the distribution of the respondents by gender. Majority (64.9%) of the respondents were male while the rest (35.1%) of the respondents were female. The distribution represents a fair gender balancing, an indication of successful efforts of various gender mainstreaming campaigns by various stakeholders.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Male</td>
<td>64.9</td>
</tr>
<tr>
<td>Female</td>
<td>35.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
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Job Position of Respondents
The unit of observation for this study was the top, middle and lower level managers in the sugar companies in Kenya as indicated in the methodology, this question sought to establish the job position of the respondents in the organization. Majority (55.9%) of the respondents were middle managers while lower level managers was 35.1% and top management was 9.0%. Table 2 gives a summary of the position of the respondents. This was a very important profile distribution for this study since the respondents were the right people with adequate information relevant to this study hence best placed. Managers take responsibility for strategy execution (Bossidy and Chara, 1992; Mauborgne and Kim 2015). The distribution of the respondents is quite normal and fair representation of management.
Table 2: Job Position of Respondents

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Top management</td>
<td>10</td>
<td>9.0</td>
</tr>
<tr>
<td>Middle management</td>
<td>62</td>
<td>55.9</td>
</tr>
<tr>
<td>Lower management</td>
<td>39</td>
<td>35.1</td>
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**Level of Education of Respondents**

The respondent’s level of education was sought and majority (41.3%) of the respondents indicated that they have at least a bachelor’s degree level of education while sizeable (26.1%) possess a higher degree at postgraduate level (Table 3). However, 8.1% of the respondents had a certificate level of education and 24.3% had Diploma level of education. This is highly expected since the respondents are at different management level (top, middle and lower) where the skills, knowledge and competencies is supposed to be high. This indicates that the respondents were well educated and informed and therefore furnished this study with better information which added value.

Table 3: Level of Education of Respondents

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>9</td>
<td>8.1</td>
</tr>
<tr>
<td>Diploma</td>
<td>27</td>
<td>24.3</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>46</td>
<td>41.3</td>
</tr>
<tr>
<td>Post graduate</td>
<td>29</td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>111</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Working Experience of Respondents**

This question sought to investigate the number of years each respondent had worked in the company. On average nearly half (49.5%) of the respondents had worked for more than 10 years with their companies. This shows a high degree of institutional memory and commitment to their companies. Majority (27.9%) of the respondents had a working experience of more than 20 years, between 16 to 20 years, 10.8%, between 11 to 15 years, 10.8%, between 6 to 10 years, 23.4%, between 3 to 5 years 19.8% while 7.2% had less than 2 years of experience as shown in Table 4. This means that the respondents had adequate working experience with the companies and therefore they possess the necessary knowledge and information which was considered useful for this study. Table 4.5 indicates the years of work experience.

Table 4: Working Experience of Respondents

<table>
<thead>
<tr>
<th>Experience in years</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>7.2</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>19.8</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>23.4</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>10.8</td>
</tr>
<tr>
<td>16 to 20 years</td>
<td>10.8</td>
</tr>
<tr>
<td>Over 20 years</td>
<td>27.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Age of the Respondents**

The study sought to find out the age of the respondents. Figure 1 shows age distribution of the respondent.
Figure 1: Age of the Respondents

Majority (38.7%) of the respondents are between the age brackets of 30-40 years, while 32.4% are between 41 to 50 years, while only 8.1% are aged more than 51 years old. The young generation is also represented with 8.1% of the respondents aged between 20 to 25 years and 12.6% aged between 26 to 30 years. This represents a good distribution that adds value to the study.

Strategic Planning

The respondents were asked whether their company develops strategic plans, as business units, operational units or corporate strategy. Table 5 indicates that 95.49% of the respondents confirmed that strategic planning is carried out and only 4.51% indicated that they do not carry out strategic planning. This implies that generally most managers are aware of the practice of strategic planning and perhaps the challenge is translating the crafted strategies to action.

Table 5: Development of Strategic Plans

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>106</td>
<td>95.49%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>4.51%</td>
</tr>
</tbody>
</table>

Based on Table 5, since sugar companies craft strategic plans, it may therefore imply that perhaps the main constraint is execution of these strategies.

Descriptive Analysis For Effect Of Managerial Skills On Strategy Implementation

In terms of strategic planning and implementation, 95.49% of the respondents confirmed that strategic planning is carried out by sugar companies and only 4.51% indicated that they do not carry out strategic planning. When it came to strategy execution, the respondents were asked how they would rate successful strategy implementation in a scale of 1 to 5 where 1 was a success rate of between 1% to 20%; 2= between 21%-30%, 3= between 31% and 50%; 4 between 51% to 75% and 5 a success rate of between 76% to 100%. Most respondents indicated a success rate of between 31%-50% for the various strategies and plans developed.

The fourth objective of the study was to determine the effect of managerial skills on strategy implementation. Managerial skills are classified into technical, conceptual and technical skills. Table 6 gives a summary of the findings of the respondents’ opinion on various indicators.
Top leadership integrity and accountability supportive to strategy implementation
The study revealed that 78.4% of the respondents agreed that integrity, accountability at the top management was very important to strategy implementation while, 12.6% of the respondents disagreed and 9.0% of them were noncommittal. Integrity and accountability are important attributes of management which also indicate the degree of corporate governance in institutions. This implied that management in Sugar Companies should consider management integrity, ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people to achieve outcomes.

Integrity and accountability are important attributes of management which also indicate the degree of corporate governance in institutions. The results concur with the finding by Whittington (1996) that management include integrity and ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people to achieve outcomes. The results also agree with the findings by Lightle, Castellano and Cutting (2007) that management is responsible for creating an environment in which ethical behavior is encouraged and they reinforced while at the same discouraging unethical practices.

According to Ziglar (2003), employee morale is affected by many factors in and outside the workplace, those who have confidence in management’s integrity are most likely to deliver their best work and do so consistently. Management can build confidence when it communicates its abilities honestly, confidently and directly. A well-run company is the best employee morale itself.

Communication
This finding is corroborated by Wheelen and Hunger (2006) that communication is key to effective management of strategic change, implying that the rationale for strategic changes should be communicated to workers not only in newsletters, speeches but also in training and employee development plans.

Educational level of the managers driving strategy implementation
The level of education of the top management is a measure of cognitive skills and the study sought to find out the opinion of the respondents on this question and its relationship to strategy implementation. An overwhelming 86.4% (sum of 41.4% and 45%) agreed that the level of education of top management affects strategy implementation while only 4.5% disagreed and 9% remaining neutral. Many strategy implementation efforts fail because leaders underestimate their challenges and as result take off their eyes from what needs to be done while at the same time leaders do not have a framework to guide them through strategy implementation journey, (Speculand, 2009).

According to Maxwell (2013), effective leaders understand that what got them to their current level of leadership and their organizations won’t be enough to get them to the next level and they understand that to get getting better results and good leadership they have to keep growing and changing and each move requires a paradigm shift. This finding implies that managers in the sugar companies should in the forefront driving strategy implementation, keeping their eyes on the goal. In addition the right academic qualifications and core competencies should be sought because they lead while others follow.

Establishment of change champions in change management
Every strategy implementation effort involves change management and appointment of a change management teams led by a champion. This question sought to find out the opinion of the respondents on the appointment of change champions. The study revealed that 64.9% of the respondents agreed, 16.2% strongly agreed with a mean of 4, while 33 neutral, with a small fraction, only 9% disagreeing.

Organizational practices and behaviors
The question sought to find out if in the opinion of the respondents their companies were equal opportunity employers or practiced discrimination based on religion, tribe, gender and region.
Table 6: Descriptive Results on Managerial Skills

<table>
<thead>
<tr>
<th>Variable indicators</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company has principles that guide behavior of leaders and employees</td>
<td>58.6%</td>
<td>27.0%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Top management has high integrity and accountability for strategy implementation</td>
<td>54.1%</td>
<td>24.3%</td>
<td>9.0%</td>
<td>6.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Education qualifications function as a strategic resource strategy implementation</td>
<td>50.5%</td>
<td>28.8%</td>
<td>11.7%</td>
<td>3.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Top management is aware of company strategy</td>
<td>65.8%</td>
<td>27.0%</td>
<td>4.5%</td>
<td>.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Middle and lower management is aware of the company’s strategy</td>
<td>79.3%</td>
<td>8.1%</td>
<td>9.9%</td>
<td>.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Friendships help work as a team successful strategy implementation</td>
<td>52.3%</td>
<td>30.6%</td>
<td>15.3%</td>
<td>0.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>My immediate supervisor supportive of my work in achievement of company results</td>
<td>79.3%</td>
<td>7.2%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Education level of top leadership affects strategy implementation success</td>
<td>41.4%</td>
<td>45.0%</td>
<td>9.0%</td>
<td>1.8%</td>
<td>2.7%</td>
</tr>
<tr>
<td>During change, company appoints “change champions” for strategy implementation</td>
<td>64.9%</td>
<td>16.2%</td>
<td>9.9%</td>
<td>6.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Top management encourages regular communication for strategy implementation</td>
<td>55.0%</td>
<td>18.9%</td>
<td>16.2%</td>
<td>16.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Company identifies and retains talented employees</td>
<td>43.2%</td>
<td>27.9%</td>
<td>13.5%</td>
<td>10.8%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

These findings are consistent with the study by Matepere (2012), who conducted study on the strategic role of leadership in strategy implementation in Zimbabwe’s state owned firms and found that most of the top leaders failed (at 65% of respondents) to formulate and articulate worthwhile vision for chosen strategies and their implementation efforts. The study also indicated that at least 54% of the respondents were of the opinion that top management used their technical skills to lead strategy implementation. The study revealed that most strategies failed due to the inability of the leaders to make use of their various skills to create awareness and show the strategy implementation roadmap. The study recommended that top management should make use of their technical, human and conceptual skills to create the need for change and enhance strategy implementation.

The study also corroborates the findings by Chiuri (2015) in her study of the challenges of strategy implementation in higher education institutions in Kenya which established that managerial skills are critical in strategy implementation. This finding means that the management of sugar companies should utilize efficient skills and methods to enable successful strategy implementation. In addition empowerment skills can be an obstacle to strategy implementation. This was a new finding from the study, that giving people freedom or authority to execute strategy can be a serious obstacle. What workforce really want is management leadership whose competence and concern they can trust (Ziglar, 2006).

INFERENCEAL ANALYSIS

In this study the researcher performed inferential analysis to determine the actual implication of the data collected and to draw conclusions on the relationship of the specific variables under study. Regression analysis was done to establish the statistical significance of the relationship between the independent variables notably, external environment, organizational structure, organizational culture, managerial skills
on dependent variable which was strategy implementation. According to Marshall and Rossman (2010), regression analysis is a statistical process of estimating the relationship between variables. Regression analysis helps in generating equation that describes the statistics relationship between variables. The regression analysis results were presented using a scatter plot diagrams, regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficients tables. Each of this is discussed in the following sections of this thesis.

The general objective of this study was to determine the challenges of strategy implementation in sugar companies in Kenya.

Correlation Analysis For The Relationship Between Managerial Skills Versus Strategy Implementation

The correlation matrix for the relations is indicated in Table 7. The findings indicate that the R Square is 0.088, implying that managerial skills explains 8.8% of the variability in strategy implementation. This relationship was found to be statistically significant at 1% significant level (p<0.01). Pearson correlation coefficient between managerial skills and strategy implementation was found 0.296. This shows a positive and significant relationship between managerial skills and strategy implementation.

Table 7: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Strategy Implementation</th>
<th>Managerial Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy Implementation</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.296**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
</tr>
<tr>
<td>Managerial Skills</td>
<td>Pearson Correlation</td>
<td>.296**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.002</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
</tr>
</tbody>
</table>

Table 8: Pearson Correlation Estimates

<table>
<thead>
<tr>
<th>Parameter Estimates</th>
<th>Pearson Correlation</th>
<th>R Square</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Constant</th>
<th>b1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.296</td>
<td>.088</td>
<td>10.468</td>
<td>1</td>
<td>109</td>
<td>25.085</td>
<td>.647</td>
</tr>
</tbody>
</table>

SUMMARY OF FINDINGS

Managerial Skills and Strategy Implementation

Factor analysis was done for managerial skills items and all the 11 questions were retained for further analysis as they had factor analysis of 0.4 and above. The Cronbach’s alpha coefficient for the 11 indicators under was 0.873. The highest indicator had a factor loading of 0.813 while the lowest had a factor loading of 0.465 and all items retained for further analysis.

The study revealed that 78.4% of the respondents agreed that integrity, accountability at the top management was very important to strategy implementation while, 12.6% of the respondents disagreed and 9.0% of them were noncommittal. Integrity and accountability are important attributes of management which also indicate the degree of corporate governance in institutions. This implied that management in Sugar Companies should consider management integrity, ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people to achieve outcomes.
The study found out that 82.9% of the employees have a best friend at work. Only 1.8% disagreed that they have a best friend at work. This finding is supported by Gallup, Inc. an American research based global performance-management consulting company founded in 1935 by George Gallup has conducted numerous survey on what they call Q12 questions on performance and key is the idea of having a best friend at work, (Gallup, 2016). Their data shows that close friendship at work correlate with higher profitability, lower accident rates, less inventory loss, higher customer engagement and happier employees. For effective implementation, sugar companies should create opportunities for teamwork, brainstorming and encourage feedback.

An overwhelming 86.4% of the respondents agreed that the level of education of top management affects strategy implementation while only 4.5% disagreed and 9% remaining neutral. The correlation analysis also indicated that there is a positive significant relationship between managerial skills and strategy implementation. The positive relationship was represented by 0.296 and the number of respondents was 111.

Based on the scatter plots distribution, there was no skewness on either side of the line, indicating that a constant variance in the line of best fit. This meant that a straight line can be fitted, suggesting that there was a linear relationship between managerial skills and strategy implementation. The results of the regression analysis that was done indicated that managerial skills had a goodness of fit of 0.088 indicating that managerial skills explained 8.8% of the variation in the strategy implementation in sugar companies in Kenya. From the findings, the researcher therefore concludes that there was significant association between managerial skills and strategy implementation.

**RECOMMENDATIONS**

First and foremost, in order to achieve organizational effectiveness, strategic human resource management should be embraced by the management of selected sugar companies in Kenya. Vertical and horizontal linkages should not breed bureaucracy but rather increase information flow, enhance communication and decision making by both management and their direct reports. Since monitoring and reporting was one of the factors identified, it therefore means that with the right structures, reporting, monitoring, assessment and appraisal will be improved. The researcher proposes that the management of sugar companies should develops a matrix of affiliation, which is an important tool to ensure effective division of work between various sector stakeholders with regard to resourcing and implementation of agreed departmental priorities and resourcing for coordination effort (human, financial and technology such use of intranet web-based communication). This will ensure ownership and sustainability of strategies.

The management should also ensure that their organizations have strong internal strategy monitoring and control environment which will inform policies and procedures. The control environment and control activities should on a regular basis be evaluated by internal audit department to provide management with the assurance on the adequacy and effectiveness of mitigation controls that management has put in place. This implies that the work environment of sugar companies should be deficient of policies that bar friendship, conversations and employee interactions and sharing of ideas. The work environment should be relaxing and have opportunities for open sharing of information, brainstorming and dialogue. The top management of Sugar companies and especially the CEOs should believe in a skilled, educated and adaptable workforce for their business to help deliver. They need to attract and retain highly skilled and competent workforce

**AREAS FOR FURTHER RESEARCH**

This study has made significant contribution as it highlights a few aspects to be considered by future researchers. Firstly, the propositions put forward in this study emphasize the importance of regular external environmental monitoring and scanning, aligning structure to strategy, and developing a culture that supports strategy implementation as well as equipping employees with skills based on the needs of or that fit the strategic change. The study focused on sugar companies in Kenya, registered by the Ministry
of Agriculture, the Sugar Directorate under AFFA. This means that if the four challenges of strategy implementation are addressed, the sugar companies may experience profitability, high capacity utilization, reduced government cash bail outs, increased farmer satisfaction and reduced reliance on sugar imports.

Subsequent studies should consider replicating this study to other agro-based companies in Kenya in order to establish the challenges of strategy implementation in view of the on-going external environmental dynamics such as climate change, globalization, and changes in the operating industry. Secondly, future research may attempt to replicate the study in different economies to confirm the effect of organization culture, organizational structure, managerial skills and quality of workforce development in strategy implementation in sugar companies.

REFERENCES


Guffy, W. R. (1992). The role of organization communication in the implementation of a business and strategy. Doctoral dissertation, Virginia Polytechnic institute and State University, VA.
Lightle, S. S., Castellano, J. F., & Cutting, B. T. (2007). Assessing the control environment: to determine whether management has created a culture in which ethical behavior is encouraged, internal auditors must survey the people who work in it. Internal auditor, 64(6), 51-56.


