STRATEGIC ALLIANCES AND STRATEGY IMPLEMENTATION AT GEOTHERMAL DEVELOPMENT COMPANY

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DECLARATION

I the undersigned, declare that this is my original work and has not been submitted for any academic award in any institution.

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Supervisor's approval

This research project has been submitted with my approval as the university supervisor.

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DEDICATION

I dedicate this work to my mum and dad for their endless support.

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I would like to acknowledge my family members, friends and colleagues who support has made it possible for me to come this far in my academics.

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ACRONYMS

CSR	:	Corporate Social Responsibility
ERC	:	Energy Regulation Commission
GDC	:	Geothermal Development Company
GW	:	Giga Watts
IPPS	:	Independent Power Producers
IT	:	Information technology
KETRACO	:	Kenya Transmission Company
KPLC	:	Kenya Power Limited Company
REA	:	Rural Electrification Authority

ABSTRACT

The objectives of the study were to establish role of strategic alliances in strategy implementation at GDC and challenges faced by strategic alliances during strategy implementation. The population of the study were the senior managers heading functional areas dealing with strategic alliances. Content analysis was used to analyse the collected data from the respondents. Interview guide was use to collect the data which was descriptive in nature. The findings of the study were that strategic alliance adopted by GDC are contractual, without equity in nature. Strategic alliance were found to have a significant influence on strategy implementation. Strategic challenges during strategy implementation were found to negatively impact on strategy implementation. The study recommends further research on the distinct dimension of strategic alliance and their influence on strategy implementation. The study found out that GDC activities are linked to the government strategic plan on energy. The objectives of GDC are aimed at implementing government strategic plan on geothermal energy.

CHAPTER ONE

INTRODUCTION

1.1 Background

Organizational competitiveness is largely influenced by the speed, agility and effectiveness in which ideas, innovations, creativity and knowledge are transformed into quality products and services through implementation of strategies (Thompson et al, 2007). Successful implementation of crafted strategies requires strategic resources, and supportive organizational structure. Verona et.al, (2003) describes strategic resources as those that possess characteristics of being rare and inimitable. Strategic resources are embedded to an organization and form part of its core competence hence they are uneconomical to acquire through replication. External organizational modes in the form of strategic alliances serve to bridge the gap in the strategic resources deficiencies and organizational capabilities (Das et.al 2000).

Strategic alliances and strategy implementation are anchored to theoretical frameworks which revolve on resources, environment, transaction cost and organizational learning. Resource Dependence Theory (Wernfelt, 1995) and Dynamic capability theory (Teece et al, 1997) explains the need for strategic alliances from external and internal environment perspectives respectively. Transaction cost theory conceptualizes that strategic alliance reduces transaction cost of exchange during strategy implementation (Kogut, 1988). Organizational learning theory (Cammings, 2004) espouses that strategic alliances are basis of knowledge acquisition. Organizations are deemed to acquire scarce knowledge and skills from strategic partners and which can be used in strategy implementation.

Vision 2030 which is Kenya's blue print on development has identified geothermal energy to be strategic and critical resource in lowering cost of power and electricity. Vision 2030 (2008) pillars, enablers and macros identify geothermal energy as one of the enablers. Geothermal Development Company (GDC) is assigned the central role of ensuring that geothermal energy is fully developed as an alternative source of power. GDC strategies are anchored to government's mid-term and long term energy strategic plans. Strategic alliances have been identified by GDC as one of the key strategies towards successful implementation of strategies (GDC report, 2016). The central role of GDC in achieving vision 2030 energy projections and its use of strategic alliances in strategy implementation makes it suitable for a case study in the research on the role of strategic alliances in strategy implementation.

1.1.1 The Concept of strategy

Strategy is how the business intends to achieve its goals that have been spelt out in the strategic plan. The how of achieving organizational goals is a complex concept which calls for critical thinking, analysis, intuition and experience on how to efficiently utilize organizational resources, configure and reconfigure systems and structures and align organizational thinking to changes in the environment. Johnson and Scholes (2002) asserts that strategy provides direction to organization by defining organizational business, determining long term goals, defining the necessary actions of achieving the goals, providing and allocating the necessary resources. The goals in a strategy are aligned to the vision, mission and strategic plans.

Porter (1980, 1985) views strategy from perspective of competitiveness, differentiation and focus. Strategy enables the organization to acquire a unique position in the industry which enables it to out-do other businesses offering similar goods and services. The unique position is earned when the organization creates uniqueness in its goods and services through differentiation. Through differentiation, the organisation acquires image that is associated with superior quality service delivery, customer care and responsiveness, innovation and corporate social responsibility. Competitive advantage arises when the organization focuses on a segment of the market where it employs its internal capabilities and competences to serve the market segment by exceeding the expectations of customers in the market segment. Competitive advantage enables the organization to have improved performance and sustainability.

Concept of strategy incorporates the strategy process that comprises of; crafting, implementing, monitoring and control. Crafting of strategy is coming up with strategic intent of an organization. Strategy crafting requires analysis of internal and external analysis of organisations' environment. Internal environment defines capabilities and incapabilities which the organization can control and are described as strengths and weaknesses. External environment provides opportunities and threats which the organization has no control on. Strategy crafting involves making of strategic decisions on aligning elements of internal environment to changes in external environment and seizing arising opportunities while minimizing risks associated with threats. Strategy implementation is actualising strategic intents through designed implementation programs, stipulated targets and time lines (Ongori, 2015). Monitoring and control are the evaluations and surveillance on strategy implementation to ensure minimal deviation from the implementation programs. Deviations calls for modification of implementation program to suit unavoidable changes from environmental dynamism.

1.1.2 Strategic Alliances

Jangkrajarng (2011) describes strategic alliances as form of joint partnerships between two or more organizations in pursuit of strategic objectives which are mutually beneficial. Baldi (2012) postulates that the ownership structure of strategic alliances may be in the form of joint ventures equity based or joint venture non-equity based. Equity based strategic alliances occur where partners contribute capital on an equal basis or on minority equity (Lang et.al, 1990). The proportion of equity contribution determines the degree of partner's control in the alliance. Non-equity based strategic alliances are contractual, involving bilateral working relationships in areas of research, marketing, operations and customer service. Kogut (1988) talks of unilateral contractual based alliances which are technical in nature and use property based resources. The organization acquiring the property relies on technical capability embedded in the property which is not transferable.

Strategic alliances are a form of external organizational mode whereby partners to alliance craft a working relationship between them (Ulrjin, 2010). Organizational structure of the entities needs enough flexibility in crafting working relationships. Daft (2010) provides that organic structure enables organizations to reconfigure their structural design in relation to external environment needs. Daft (2010) posits that organic structures provide enough flexibility which enables coordination of strategic alliance partner’s activities. Organizational structure at strategic and tactical levels is reconfigured to accommodate the external partner where internal joint working is adopted.

Strategic alliances are contractual relationships between entities with different interests. Elmunti et.al (2012) observes that strategic decision making in strategic alliances is characterized by bounded rationality. The partners fail to honor their obligations and pursue their sectoral interests at the expense of the alliance. Legally enforceable contracts which bind the partners to their expected roles and obligations are used to circumvent conflict of interests in alliances. Failure by the strategic partners to honor their obligations in the contracts has been cited to be one of the major reasons behind failure of alliances (Beamish, 1997).

1.1.3 Strategy Implementation

Strategy implementation is the process that follows strategy formulation. Successful implementation of strategies leads to achievement of organizational objectives. Pearce and Robinson (2009) are of the view that strategy implementation needs to be guided by a strategic plan. Strategic plan provides a road map to strategy implementation by; describing objective’s scope, defining the strategy to be used, indicating critical areas to strategy implementation, allocating strategic resources optimally, drawing implementation timelines, and decomposing the strategy into work breakdown structure for phased implementation (Thompson et al, 2009).

Moinkett (2015) observes that implementation of strategies is faced with challenges associated with the environment. Changes in the internal and external environment of an organization necessitate adjustment to the strategic plans during strategy implementation. Flexibility is therefore an essential requirement for the organization to accommodate environmental changes. Flexibility is needed in the following critical areas during strategy implementation; organizational structure, budgets, strategic resources allocation and senior management strategic decisions (Golden et al, 2000). Monitoring and evaluation is continuously undertaken during strategy implementation to identify deviations which occur due to environment change. Collective actions are undertaken where deviations from strategic plan are identified. The deviations from the strategic plan once identified require adjustments in strategic plans and strategy implementation (Helriegel et.al, 2005).

Strategy implementation integrates activities across all the levels of management, incorporates the stakeholders and calls for a creative and committed champion team, which has support of top management (Pearson et al, 2009). Top management should communicate the strategy to the middle and lower level of management. Well communicated strategy creates sense of purpose and urgency to employees (Porter, 2007).During strategy implementation; employees are organized into teams headed by champions who have a strong commitment to strategy philosophy. Management support through provision of resources and conducive environment enhances strategy implementation by encouraging creativity and innovation. Developing working relationships with stakeholders creates synergy to the implementation process. Warui (2015) posits that stakeholders' relationship is developed upstream or downstream along the supply chain and horizontally with other firms in the industry.

1.1.4 Energy Sector in Kenya

Vision 2030 (2008) on pillars, enablers and macros identifies energy as an enabler with wide multiplier effect across all the sectors of the economy. Reliable and low cost energy is key to country's industrialization and enhancement of household's living standards. REA report (2016) indicates that government plans to increase power connectivity to households and institutions by 70% as a step towards enhancing citizen's quality of life. Government has diversified sources of energy placing reduced reliance on hydro generated power in order to meet the projected energy requirements. Green, renewable and alternative energy production such as geothermal, coal, wind, solar and biogas have been identified as alternative energy sources to close the gap between demand and supply of energy.

Beginning of 21st Century marks a turning point in the management of country's energy sector. Government has strategically reorganized the sector to align it with vision 2030. Sessional Paper No. 4 of 2004 emphasizes on the country's need to focus more on the energy sector. The sessional paper advocates on the need to explore on alternative sources of energy, reduce reliance on hydro-power and develop supportive institutional frameworks. Energy Regulatory Commission (ERC) was formed as the institution mandated to regulate energy management in the country. Energy Act of 2006 streamlined energy management in Kenya by separating the functions of power generation, transmission and commercialization. Electricity and power generation was streamlined into hydro and geothermal energy. Kenya Electricity Generating Company (KENGEN) and Independent Power Producers (IPP) were tasked with generating both hydro and geothermal energy. Geothermal Development Company (GDC) was formed with the mandate of developing geothermal energy.

Transmission function was assigned to Kenya Power and Lighting Company (KPLC), Kenya Transmission Company (KETRACO) and Rural Electrification Authority (REA). KETRACO transmits power using new transmission lines and builds substations which act as power stabilizers. KPLC transmits power on old transmission lines which were in use before formation of KETRACO. The Act of 2006 also allowed KPLC to use private contractors in electricity connectivity leaving the company with the task of commercialization. Commercialization involves enhancement of customer service by ensuring, absence of power outages and application of technology to enhance revenue collection process.

1.1.5 Geothermal Development Company

Geothermal Development Company (GDC) was formed under the Energy Act (12) 2006 to implement the government strategy of energy diversification from hydro-power. Geothermal as an alternative energy to hydropower was preferred due to its abundance in the tectonic geographic mappings of the Rift valley, high degree of reliability and is not prone to fluctuations arising from weather and climatic changes. GDC which is fully owned by the government has the mandate of ensuring development of geothermal energy. Vision 2030 (2008) projects that the country will be required to produce more alternative energy like geothermal to meet the projected demand (Moinkett, 2015).

Operations at GDC are structured into three processes namely; geothermal steam drilling or production, steam selling or commercialization, and power transmission. GDC undertakes operations of steam drilling which involves; extraction of geothermal steam from geographic tectonic cracks and holding or storing the extracted geothermal steam. GDC sells the steam to independent power producers (IPPS) who produce power geothermal power from the steam. GDC buys geothermal power from IPPS which it sells to KPLC for loading into the national grid (GDC report 2016). Operations of GDC rely on strategic alliances IPPS, KPLC and other government agencies (GDC report, 2016).

GDC is organized in a branch structure with the head office located in Nairobi. The three branches are at Olkaria (South Rift), Menengai (Central Rift) and Baringo (North Rift). Each of the branch is headed by a Regional Manager. GDC Strategies are developed at the head office in line with the national government strategic plan. Regional managers undertake the responsibility of ensuring successful implementation of the strategies. GDC has key departments of technical services, commercial services, Business Development, Human Resources, Corporate Affairs, Research and Development and Regional Operations each at regional level. The organization has a total of 24 departments in both head office and regional offices.

1.2 Research Problem

International business strategy has focused on strategic alliances to gain competitive advantage. Multinational companies build strategic alliances across the globe to bridge resource, technological and competence gaps during strategy implementation (Hill, 2009).Strategic alliances have enabled multinational companies to penetrate the global market, increase market share, and improve their performance after implementing their strategies (Likert, 2004). Strategic alliances in global businesses strategy have been accredited with capital, technology, knowledge and skills transfer (Tang, 2010). The transfers enhances capacity and capability of organizations in strategic alliances especially in developing countries thereby enabling them to effectively implement their strategies (Hill, 2009)

The Government strategic plan on energy projects that demand for energy outstrips current energy production (ERC, 2016).Oraro (2006) provides that the country has a potential to produce 10 gigawatt (GW) of energy and will have a projected consumption of 5 GW by year 2030. The current production is 200 megawatts (MW) and projected production will be 1GW by 2018 (ERC 2016). GDC's mandate of developing and producing geothermal power requires effective strategy implementation to ensure that Government Strategic Plans on energy demand are met. The enormous task of covering the huge gap between expected energy consumption and expected energy production plus the technical nature of geothermal energy production process demands that GDC implement the formulated strategies efficiently and effectively through strategic alliances (GDC report, 2016). The high use of strategic alliances and the urgent need to implement its strategies to achieve government strategic plans in energy makes the study of the role of strategic alliances in strategy implementation at GDC to be an area of interest.

Strategy implementation is usually viewed to be an activity undertaken by internal actors with less emphasis being placed on the role of external organizational modes (Ulrijin, 2010). Research on strategic alliances and strategy implementation is therefore a recent phenomenon. Webster (1999) studied the relationship between strategic alliances and strategy implementation. The study focused on manufacturing firms and had an objective of establishing the influence of strategic alliances to successful implementation of strategies. The design of the research was cross sectional survey focusing on manufacturing firms. The findings of the study were that there was a strong correlation between strategic alliances and strategy implementation in manufacturing firms. Kale et.al (2009) studied management of strategic alliance and strategy implementation. The objective of the study was to establish influence of strategic alliance management challenges to strategy implementation. The study focused on firms in the service industry involved in strategic alliances. Cross sectional survey research design was used to collect relevant data. The study singled out absence of teamwork, mistrust, poor accountability and organizational culture to be the major management challenges in strategic alliances which influence strategy implementation.

Mockle et.al (1997) examined the relationship between organizational restructuring during strategic alliances and implementation of organizational strategy. The study which was on large multinational manufacturing firms focused on restructuring during strategic alliances implementation and its influence on strategy implementation. The findings of the study were that there is need to reconfigure an organization structure and align it to strategic alliances for effective implementation of organizational strategies. Moinkett (2015) carried out a study on organizational structure and strategy implementation at GDC. The findings of the case study were that organizational structure requires to be aligned to the organizational strategy for effective and efficient strategy implementation.

To the best of researcher's knowledge, there are no known studies on strategic alliances and strategy implementation which have been undertaken on an organization fully owned by the government with the mandate of achieving national energy strategic plan. The study seeks to fill this gap by researching on GDC to answer the following research questions: What is the role of strategic alliances in strategy implementation at Geothermal Development Company? What are the challenges of strategic alliances during strategy implementation at Geothermal Development Company?

1.3 Research Objectives

(i) To establish the role of strategic alliances in strategy implementation at Geothermal Development Company.

(ii) To establish the challenges of strategic alliances during strategy implementation at Geothermal Development Company.

1.4 Value of the Study

The study will serve to provide empirical findings to close the gaps identified and hence will contribute to growth of literature in the area of strategic alliances and strategy implementation. Policy makers in the energy sector will find the study to be of value when designing policies and strategies in energy sector. Strategic alliances will be incorporated in the policies to successfully undertake strategy implementation. Ministry of energy will use the findings of the study to replicate the use of strategic alliances in other strategic plans.

Firms in the industry will use findings of the study to effectively manage strategic alliances. The firms will seek to minimize strategic alliances managerial challenges identified in the study, hence enhancing effectiveness of strategic alliances in strategy implementation. GDC will utilize the findings of the study to review and strengthen collaboration with its strategic partners in achieving its mandate in vision 2030. Management of GDC will use the study to identify gaps in strategic alliances management and develop appropriate management training programs to the managers' on how to strengthen working relationship with strategic partners. Theoretical frameworks used will be strengthened in application thereby creating a new body of knowledge to be used in future studies of strategic alliances and strategy implementation. Academic researchers will use the study as a basis for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers literature reviewed on strategies alliances and strategy implementation. Theoretical framework which supported strategic alliances and strategy implementation were reviewed. A conceptual framework on the relationship between strategic alliances and strategy implementation was developed.

2.2 Theoretical Foundation

This study is anchored on the theories of transaction cost theory, resource dependence theory and systems theory which focus on internal and external factors to an organization.

2.2.1 Transaction cost theory

Transaction cost theory is an internal cost control approach whereby an organization attempts to conduct operations in-house as opposed to getting the services externally (Williamson, 1979). Organization is in a position to regulate and control operational processes when they are internally based. Sarvis et al (2011) defines transaction cost as the cost beyond that of a product or service between two or more entities. These costs are incurred in; gathering important information; meeting with partners; coming up with reasonable agreements and drawing up an appropriate contract; and the cost of ensuring that the parties carry out their obligations without engaging in self-seeking behaviors.

Hart et .al (1990) introduced the aspect of risk in transaction cost. William (1991) traces the source of risks to environmental uncertainty, opportunism, bounded rationality and core firm assets. Zcididin, et.al (2001) recognizes the need to reduce risks in transaction costs by investing in transaction specific assets which may not easily find alternative uses in the event of exchange relationship breaking down. Such assets include location, physical assets, human capital, dedicated capacity or brand name capital. Kogut (1988) is of the view that the amount of cost or risk in a transaction influences organization to enter into strategic alliances. Firms enter into strategic alliances when transaction costs aren't high or are moderate not to necessitate vertical integration, mergers or acquisitions.

Strategic alliances help in internalization of operations leading to reduction of transaction costs and increase of efficiency (Warui, 2015). Organizations in strategic alliances undertake joint planning of operations, research, joint venture, technical cooperation's, channel or distribution management, production and other forms of inter-organizational working relationships. The interrelationships when well managed and coordinated removes organizations boundaries leading to boundary-less organizations (Daft, 2010). In absence of boundaries, operations of different organizations are synchronized thereby enhancing management's control of operational costs.

2.2.2 Resource Dependences Theory

Resource dependence theory (RDT) perceives organizations to be suffering from resource insufficiency. Resource gap is filled by importing resources from other organizations in the environment. Pfefer et al (1978) describes environment of organizations to be turbulent and dynamic, creating uncertainty for resources. Organizations therefore align themselves externally with other organizations to reduce uncertainties. The interdependence between different organizations requires that organizations create long term relationships for mutual benefit (Daft, 2010). Managers in organizations whose resources are environment dependent exercise control of uncertainty and risk through strategic alliances (Moinket, 2016).

Black et al (1994) provides the view that organization will enter into strategic alliance if the resources obtained from the alliance are strategic and will lead to sustainable competitive advantage. Resources are described to be strategic to an organization if they are critical to implementation of organizational strategy and achievement of overall organizational objectives. There is high dependence on external organizations which have high control over critical strategic resources to an organization. Chi (1994) associates' high external dependence of strategic resources to transaction cost problems and high exchange structural risks. Strategic alliances enable organizations to control exchange structural risks and transaction costs through enterprise resource planning (Warui, 2015)

2.2.3 Systems theory

Systems theory is a multi-disciplinary theory about the nature of complex systems in nature, society, organizations and science (Batch, 2012). The theory uses input, process, out model and applies the concept of environment and interdependence. Organizations are viewed to be systems because they have boundaries that differentiate them from other organizations and environment, have departments which are interdependent and jointly work together to achieve a common organizational objective. Systems can be either open or closed depending on the extent of interaction with external environment. Organizations are open systems which have high interaction and dependence with the external environment. Organizations depend on environment for inputs such as energy, data and raw materials. The inputs are processed by the organization into products and services which are then discharged to external environment.

Strategic alliances are external organizational modes whereby the organization undertakes boundary spanning to acquire and control resources from the external environment. The input part of the system theory is represented by upstream alliances while the output part is represented by downstream alliances (Warui, 2015). Upstream alliances involve the organization and suppliers of inputs entering into contractual working relationships. Downstream alliances involve the organization and customers of the goods and services produced by the organization. The process part of the system theory is represented by production of goods and services. It involves exchange of technology, operations outsourcing, and distribution arrangements.

2.3 Strategic Alliances and strategy implementation

Strategy implementation poses the biggest challenge to the strategy process because it involves actualization of the strategic plans in real organizational and environmental situations. Strategic alliances serve to close the organizations gaps in resources, financial capabilities, technology, and knowledge during strategy implementation (Jankrajang, 2011). Strategic alliances enhance success of strategy implementation by increasing organizational capacity and preparedness (Musila, 2009).

Das et. al (2000) view strategic alliances as a strategy of acquiring other firm's resources which are critical to strategy implementation and gaining competitive advantage. Organizations entering into strategic alliances target specific resources which enables them to implement strategies without necessarily acquiring the unneeded assets (Hernart et al, 1997). The targeted resources have characteristics of imperfect; mobility, imitability and substitutability (Das et.al 2000). In addition to ensuring resources availability, strategic alliances creates reliability, predictability and guarantees quality in resources used during strategy implementation.

Strategic alliances provide financial certainty during strategy implementation. Hill et .al (2009) point out that firms in strategic alliances contribute finance in joint ventures or form collaboration agreements with financial partners for defined strategic plans or projects. Financial collaborations enhance operational efficiency during strategy implementation. An organization is guaranteed a healthy cash flow which enables it to honor financial obligations with suppliers of inputs, and reduces financial risks associated with unforeseen situations during strategy implementation (Nohria, et al, 1996). Adequate and reliable finances lead to full implementation of the strategy and avoid implementation failure due to lack of finances.

Strategic alliances serve to introduce technological know-how and expertise into the organization for strategy implementation. Technology, skills and competences are knowledge based, are inimitable and are embedded in the organization (Peteraf, 1993). Inimitable nature of technology and skills makes their acquisition costly thereby necessitating formation of strategic alliances. Strategic knowledge and skills are not transferable while tacit knowledge is transferable (Musila, 2009). An organization gains tacit knowledge transfer during strategic alliance which enables it to be self-independent in future strategy implementations (Das et.al. 2000).

Strategic alliances facilitate timely implementation of organizational strategies. Strategy implementation is time scheduled with defined completion time lines. Strategic alliances contracts spells out time specific obligations for inputs or resources delivery, finance availability, technology acquisition and management support (Clay,1994).

Synchronization of strategic partners activities through joint information sharing avoids delays leading to timely implementation of strategies (Verona, 2003).

2.4 Strategic Alliances Challenges in Strategy Implementation

Strategic alliances according to Nienhueser (2008) are faced with behavioural, structural, management and cultural challenges during strategy implementation. The challenges impact on operational activities of strategy implementation.

Behavioral challenges occur in strategic alliances when partners pursue partisan interests (Warui, 2015). Behavioural challenges during strategy are cultural oriented (Urljin et al.2010). Implementation calls for interaction between implementers with different cultural, perception and attitude towards work. Work culture difference accounts for conflicts between employees with different work culture orientation. Work cultural aspects which leads to conflicts includes perception towards; quality, work values and ethics. Strategic alliance partners face challenge of cultural adaptation which spills over to efficiency in implementation of strategies (Beamish, 1997).

Structural challenges occur when the organization is poorly configured to accommodate strategic alliances. Absence of appropriate structural fit contributes to poor coordination of activities within the alliance, internal power distribution and decision making processes (Nienhuser, 2008). Power play in strategic alliances creates tension and conflict thereby affecting employee's morale and commitment. Incompatible structures occur where organizations have mechanistic structure that is inflexible to accommodate external organization modes (Daft 2010). Poor structure affects integration and coordination between strategic partners which in turn affect strategy implementation.

Managerial control challenges are associated with ownership structure of the strategic alliance. Das et al (2000) posits that alliance structures associated with management control can be classified as either equity or contract based. Equity based structures allows a higher level of management control compared to contract based alliances. Equity based alliances are long-term in nature and hence serve to regulate management opportunistic tendencies (Das et.al, 1996a). However the challenge of dominance occurs in minority equity alliances where partners with a higher stake influence strategic decisions thereby affecting strategy implementation. Bilateral and unilateral contracts are short in nature and are based on reversible contracts. They include outsourcing contracts, franchises and licensing. They affect strategy implementation when parties to the alliance fail to honor their obligations (Fallman et. al, 1990).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provided a detailed description of the methodology that was used to conduct the research. It provided insight in research design, target population, sample, research instrument, and data collection procedures and data analysis.

3.2 Research Design

Research design is the plan of investigation conceived to obtain answers to the research questions (Cooper and Schindler, 2008). Geothermal Development Company (GDC) was used as the unit of analysis because the study was a case study. A case study enables the researcher to focus on the area of interest in the unit of analysis. It provides in-depth knowledge and understanding on the behavior of the variables under the study. The context of the organization or the unit of analysis provides the variables of the study.

Case study method is flexible and allows the researcher to apply various methods to the identified phenomena and area of interest. The method applied was contextual to the organization and appropriate to a situation. The phenomena in the study was GDC and the area of interest was strategic alliances and strategy implementation. The study drew data from the area of interest in GDC for analysis.

3.3 Data Collection

The study used both primary and secondary data. Primary data was collected from senior managers at GDC who have responsibility of strategy implementation and closely work with strategic alliance partners. The respondents were managing director and general managers heading the three regions, Chief Managers in technical, legal, commercial services, systems and business development and drilling manager (Appendix 1). Total number of respondents was ten. GDC records and documents, both electronic and manual provided secondary data.

Interview guide was used to collect data from the respondents. Interview guide as an instrument of data collection is applicable to case study because it can be contextualized to the phenomena and area of interest. Interview guide is also flexible and allows convenience in structuring of questions. The interview guide was administered by the researcher to each of the respondents. The structure of the interview guide was as follows; demographic data; strategic implementation at GDC; strategic alliances and strategy implementation at GDC; and how strategic alliances facilitates or enhances strategy implementation strategy implementation at GDC.

3.4 Data Analysis

Data was analyzed using content analysis method. Content analysis allows observation and detailed description of the finding regarding the objectives of the study (Shanon et.al, 2005). The method allows for detailed description of the variables in a phenomena which are related to the objective of the research. Content method is suitable to the study because data was collected from the environment where the events took place.

Content analysis explores other issues which are relevant to the study and of importance to the management and the researcher. Carley (2002) points out that content method helps the researcher to trace process, sequence of events and systems applied in the organization or unit of analysis regarding the area of interest to the study. Shanon et.al (2005) provides that content analysis allows the researcher to accommodate external environment of the organization to the study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter discusses data analysis and findings of the study. Data was collected from target respondents who were identified to provide information relevant to the objectives of the study. The objectives of the study were; to determine the role of strategic alliances in strategy implementation at Geothermal Development Company; and to establish the challenges of strategic alliance during at Geothermal Development Company.

4.2 Social demographic Data

The respondents in the study were ten senior managers who directly work with strategic partners in their respective departments. The respondents included; managing director, 3 general managers heading the three regions of geothermal operations, South Rift (Olkaria), Central Rift (Mengengai) and North Rift (Baring), chief managers in technical, legal, commercial services, systems, business development and drilling.

The response rate was 100% with all the ten senior managers responding to the interview guide. Most of the managers had served in the current position for a period of 3-5 years, having previously worked in lower positions in the organization. The respondents had high academic and professional qualifications. The trend indicates that GDC nurtures skills and talents by developing managers from within. The policy of promotion from within motivates the employees and ensures that senior management have a wholesome understanding on the operations of the organization.

4.3 Strategy Implementation at Geothermal Development Company

The respondents indicated that strategies developed at GDC are aligned to government strategic objective of producing IGW of geothermal energy by 2018 in the mid-term and 5 GW of geothermal energy in the long term by year 2030 (ERC Report, 2016). The strategies are developed to achieve the objectives set by the government. GDC was incorporated by the government with the sole mandate of ensuring adequacy, reliability and efficacy in provision of geothermal energy.

4.3.1 Strategies Developed at geothermal Development Company

Respondents indicate that the strategies developed at GDC to achieve the objectives are largely in; technical, commercial services, systems, business development and drilling. The strategies includes; strategic alliances, outsourcing, operations efficiency and information technology management. Strategic alliances as a strategy involve joint venture partnerships with external organizations. The strategic alliances are largely in the technical service department. Interviewees indicated that strategic alliances in technical divisions involve joint partnerships in specialized machine equipments for steam drilling, geothermal electricity production with Independent Power Producers (IPPS) and electricity transmission with KETRACO.

Outsourcing strategy was found to be more in the commercial service department. GDC was found to have outsourced several non-core activities which includes; cleaning and hygiene services, security, transport, leasing and supply of non-strategic inputs such as fuel and gas. Operations efficiency strategy was described by the respondents as one which ensures quality delivery of services. The strategy ensures absence of waste and sustainable management environment. Programmed operations were described to be in place with target operations benchmarks of timeliness, quality, accuracy and waste reduction in place. Information Technology (IT) strategy was found to involve application of internet to create virtual teams and sharing of information horizontally across departments for strategy implementation.

4.3.2 Strategy implementation process at Geothermal Development Company

Strategy implementation was described to be a team work that involves managers at all the levels of management and the stakeholders. Respondents provided that strategic tactical and operational level managers complement each other in ensuring effective implementation of the corporate strategy. Strategic level manager’s role was said to involve crafting corporate strategy implementation. The broad framework involved in strategy implementation includes policy guidelines on strategic alliances, outsourcing, operational efficiency, IT strategies. The respondents added development of appropriate organizational structure to support strategy implementation to be part of senior manager's role.

Tactical level management roles were found to be in the departments. Their tasks involved understanding the corporate strategy and developing appropriate implementation programmes. Implementation programs were found to involve; definition of tasks, identification of resources requirement, drawing of financial budgets, resources allocation schedules, drawing implementation timelines and allocation of duties. The respective heads of departments were found to act as champions in strategy implementation. The champion's role included advocacy and providing leadership during strategy implementation.

Operational level management was described as cogs which move the wheel of strategy implementation. Strategy implementation at this level required breaking of implementation programs at tactical level into work break structures, development of targets in the work schedules and overseeing employee productivity during strategy implementation. Stakeholders were found to include government, suppliers, independent power producers, customers and employees. Government was found to support strategy implementation through approval of GDC financial budgets and provision of the budgeted funds. Suppliers and customers were found to be in strategic alliances with GDC. Suppliers ensure availability and timely delivery of inputs hence ensuring seamless operations during strategy implementation.

Independent Power Producers (IPP) as stakeholders were found to be critical to strategy implementation. IPP's role in strategy implementation involved buying of steam from GDC and producing geothermal electricity which is commercialized through distribution and connectivity by KETRACO and KPLC respectively. GDC has formed strategic alliances with IPP's to ensure adequate generation of geothermal power to achieve objective of producing IGW by 2018. KETRACO and KPLC were found to be key customers of GDC. They were found to support strategy implementation by offloading geothermal power produced and transmitting it to end users or customers.

Employees' role in strategy implementation was found to be central. GDC employees were committed to the organization. Respondents indicated that employees were organized into cross departmental teams and worked jointly to achieve organizational objectives irrespective of the department affiliation. Monitoring and evaluation of strategy implementation was found to be undertaken by senior management. Continuous monitoring and evaluation was found to be undertaken through periodic reports which were physically or electronically prepared. Senior managers indicated that they were receiving adequate support on strategy implementation from tactical and operational managers.

4.3.3 Indicators of Effective Strategy Implementation at GDC

Respondents provided that indicators of effective strategy implementation at GDC included; timely completion, effective utilization of resources, sustainability through corporate social responsibility and achievement of the set objectives. Interviewees indicated that strategies at GDC was timely implemented. Implementation achieved time targets that were indicated in the implementation program. Delays experienced during implementation were always explained and appropriate remedial actions undertaken. Resources utilization and management during implementation sought to ensure optimal usage and minimal pilferage or waste. Resource utilization was found to effectively follow predetermined allocation as per program schedules.

Sustainability of strategy implementation sought to ensure that GDC strategies catered for future of all stakeholders including the community. GDC was found to be involved in Corporate Social Responsibility (CSR) that involved; community development programs, environment management programs and continuous development of employees. CSR activities ensured absence of conflicts between GDC and the environment. Respondents were in agreement that GDC has served its CSR comprehensively. GDC report 2016 indicated that the objective to achieve production of IGW by 2018 had been achieved at

80%. Respondents were in agreement that GDC will fully implement its strategy and achieve the objective in 2018.

4.3.4 Challenges of Strategy Implementation at GDC

Management of strategic alliances was described to be a challenge in strategy implementation at GDC. Respondents described management of strategic alliances as how well the strategic partners meet their expected roles and obligations. Strategic alliances are characterized by propagation of self-interest and disagreements by strategic partners. This affects strategy implementation because it leads to suboptimal decisions. Interviews indicated that GDC has structured agreements on strategic alliances management that guides on resolution mechanisms when inevitable disagreements arise.

Organizational structure was identified to pose a challenge in strategy implementation by influencing integration of operational activities between strategic partners. Daft (2010) provides the view that organic structures are suitable for integration of inter-departmental or inter-organisational activities. Respondents indicated that organizational structure challenge at GDC was minimal because of the organic structure which was in place. The organization was found to have flat hierarchical structures that were decentralized into regional operational areas. The decentralized units were mandated with independence of decision making. Organic structure enables speedy decision making, high responsiveness to customers and employee empowerment.

Employee commitment influences employee productivity at their tasks and trust to the organization. Respondents provided the view that indicators of employee commitment to include; low staff turnover, high involvement and performance and willingness to undertake challenging task with minimal direction and control. GDC was noted to have high staff turnover on its technical cadre of staff. This category of employees leaves to competitors thereby affecting the pace of strategy implementation. Resistance challenge of strategy implementation arises from communities neighbouring GDC. The neighbouring communities who are largely pastoralists resist implementation of GDC projects in their communal land. CSR programs were noted to have been put in place to promote sustainable development and peaceful mutual existence between GDC and the neighbouring communities. The CSR programs included education system, water and sanitation and recruitment of locals.

Management support challenge was noted to originate from government bureaucracy. Senior management of GDC were described to be dependent on Ministry of Energy for financial and other resources. Government policy guidelines on release and accountability of financial resources creates a delay which was noted to negatively affect strategy implementation. Delivery of other resources was noted not to be well coordinated with implementation programs thereby causing implementation delays.

4.4 Strategic Alliances and Strategy Implementation at GDC

The respondents indicated that strategic alliances play a vital role in strategy implementation at GDC. Strategic partners were viewed to close gaps in resources, thereby facilitating implementation of strategies at GDC.

4.4.1 Strategic alliances and operations at GDC

The key operational areas of GDC where strategic alliances were noted to have built were technical, IT and commercial departments. Technical department was noted to involve geothermal steam drilling. Specialized capital equipments and skilled employees makes it imperative for GDC to get into strategic alliance in order to close technical and skills gaps. IT department required strategic alliance due to operations digitalization and frequent upgrade of IT especially internet. Respondents indicated a need to have GDC and its strategic partners to be on the same IT platform for ease of integrating operations and information transfer, hence strategic alliance in IT. Commercial department required strategic alliance to ensure speedy supply of input and continuous sale of geothermal power.

4.4.2 Strategic Alliance Structures at GDC

The structure of strategic alliances is either equity, contract or joint venture based. Respondents indicated that equity and joint venture based structures of strategic alliance was unsuitable for GDC. The Act of parliament which created GDC categorize it a state owned corporation. The act disallows equity ownership or joint venture. The structure was noted to be contract based and specific to identified operational contract.

The contract in strategic alliance at GDC were noted to be legally backed. Legally backed strategic alliance partners creates compliance responsibilities on execution of obligations by partners. The contracts were described by managers to be of long term nature and aligned to GDC medium and long term strategic plans. Contract based strategic alliances were preferred because they are clear on partners obligations. The cost of breaking the alliances where their usefulness is unsustainable were described to be low compared to equity and joint venture. Loss of ownership and control of the organization was described to be minimal where contract based strategic alliance are used.

4.4.3 Strategic Alliances Influence on Strategy Implementation at GDC

Respondents provided the view that strategic alliances have a strong influence on strategy implementation at GDC. The strategic alliances were found to be preferred at GDC with nine out of ten departments having strategic alliances strategies. GDC is more externally organized through strategic alliances. Strategic alliances were said to influence strategy implementation through; honouring of contractual obligations, knowledge transfer, strategic decisions and tranquility in strategic alliances relationship.

Contractual obligations in strategic alliance defines roles to be played by each partner. Respondents indicates that honouring of roles by strategic partners ensures delivery of quality services which influence implementation of strategy at GDC. Knowledge transfer was described to be one of the learning process in strategic alliances which influence implementation of strategy at GDC. GDC was said to gain knowledge transfer from strategic partners with superior tacit knowledge. The tacit knowledge is embedded in partner's technologically advanced machine capital and their elaborate work system. GDC employees gain the knowledge by jointly working with strategic partners. Knowledge transfer to GDC employees was described as part of strategy that enhances GDC human capital in implementation of strategies.

Tranquility is strategic alliance relationship is lack of conflict between GDC management and that of strategic partners. Cordial working relationship enhances making of strategic decisions on strategy implementation. It was found out that optimal strategic decisions on strategy implementation at GDC was due tranquility in strategic alliance relationship. Senior managers at GDC and strategic partners are guided by rationality in making decisions sub-optimal strategic decisions are minimal because senior managers in GDC and strategic partners have no bounded rationality which leads to conflict in making strategic decisions on implementation of strategies.

4.5 Strategic Alliance challenges during Strategy Implementation at GDC

Behavioural, structural, managerial challenges were found to be prevalent to strategic alliance at GDC. The challenges affect the relationship between the partners and flow into the process of strategy implementation.

Behavioural challenges of were found to be cultural based. Work culture challenges in regard to work values were described to be a major challenge to strategic alliances during strategy implementation. The respondents indicated that major work culture differences between GDC and strategic partners included perception on quality, time management and bounded rationality during strategic decisions making. GDC was found to be guided by vision, mission and value systems which regulate organisational behaviour. Culture adjustment programs which minimises impact of cultural differences were found to be in place.Respondents indicated that cultural differences which many occur on a minimal scale insignificantly influence strategy implementation.

Structural challenges were to be minimal at GDC because the organisation has adopted an organic structure which decentralised, flat and clearly defined positions. Organic structure allowed horizontal and diagonal communication which was intranet and internet facilitated. The organic structure enabled cross functional working and sharing of information between various strategic alliance partners. Structural challenges were found to be minimal with residual power politics between alliance partners. Laid down mechanisms were found to be in place to mitigate actions arising from structural deficiencies.

Managerial challenges were found to arise from line and staff authority relationships. Strategic alliance partners have expatriate staff who are experts in their area of specialisation and have a staff authority. Management positions with line authority drawn from hierarchical structures were found to be largely held by GDC employees. Conflict was reported to be prevalent with each party exercising the authority. Respondents were of the view that the challenge is temporally as more of GDC employees are being trained for expert positions.

4.5.1 Influence of Strategic alliance challenges during strategy implementation on strategy implementation

Behavioural, structural and managerial challenges experienced by strategic alliance partners were reported to negatively impact on strategy implementation. Behavioural challenges on culture influenced work programs thereby affecting timely implementation of strategy programs. Structural challenges arising from coordination of strategic alliance partners influenced the flow of resources into implementation programs leading to delay in completion of programs. The matrix structure adopted at GDC resulted to dual reporting relationship which confused the staff and affected their commitment to project programs. The respondents indicated that the employees were more committed to functional works compared to projects in which strategy was being implemented in. Managerial challenge of conflict between line and staff authority impacted negatively to strategic decision making during strategy implementation. Bounded rationality between line and staff managers were reported to result to irrational decisions.

4.6 Discussion of findings

The findings of the study depicted a significant relevance of the theoretical foundation and models used. Transaction cost theory was found to be applicable in strategy implementation at GDC. Strategic alliance lead to internalization of operations thereby enabling GDC to regulate and control cost and risk. Costs associated with information import, contracts administration and compliance enforcement were drastically reduced at GDC through strategic alliances. Resource dependence theory which perceives resources deficiency in an organization and hence dependence on environment to close the resource gap was found to be applicable to the study. Strategic alliances as external organizational modes provided external resources which facilitated strategy implementation at GDC. The organization was found to use input –process-output model hence making systems theory appropriate to the study.

Strategic alliances were found to play a critical role in strategy implementation at GDC. The alliances were found to close gaps in technology, knowledge, technology, Information Technology and management. Strategic partners in technical, IT and drilling were found to provide specialized machinery and equipment to GDC. The specialized machines and equipments contributed to technology transfer which help GDC to have sustainable technological capital in future. Information technology enabled cross organizational and cross departmental linkages that enabled knowledge dissemination, coordination and operations efficiency.

Stakeholders were identified as contributors to strategy implementation at GDC. The study identified the stakeholder of GDC to include; government, industrial customers, suppliers, employees and community. The stakeholders' theory Jensen (1986) which suggests that organizations success is dependent on role played by each stakeholder was found to apply to GDC in strategies implementation. Government as the sole proprietor of GDC was found to manage budgetary provision, strategic planning and signing bilateral agreements with international donors on behalf of GDC. Customers to GDC were categorized as industrial customers who buy geothermal power and sell to end users. The industrial customers play a value adding intermediary role that helps in separating geothermal power process into three phases of; geothermal steam production by GDC; geothermal power production by Independent Power Producers (IPP); and power distribution and connection to end users (KPLC).

Corporate Social Responsibility (CSR) was found to be a strategy which moderates relationship between GDC, community and the employees. CSR promoted organizational image, peaceful co-existence with the community and motivate employees. CSR programmes were found to ensure sustainability in GDC strategy implementation.

Suppliers were found to provide steady supply of inputs which guaranteed continuous and seamless implementation of strategies. GDC was found to honour contractual obligations with suppliers particularly in credit management and fairness in tendering process.

Strategic alliance challenges of behavioural, structural and managerial nature during strategy implementation were found to negatively impact on strategy implementation. Behavioural challenges which were work cultural based affected work programs on timely implementation of various work breakdown structures in the projects. Structural challenges occurring in matrix structures adopted in strategy implementation resulted to dual reporting relationships which affected employee commitment to project work. Managerial challenge of conflict resulted arising from line and staff authority lead to sub-optimal decisions which negatively affected strategy implementation.

4.7 Chapter Summary

The chapter focuses on analysis, results and discussions on strategic alliances and strategy implementation at GDC. Strategic alliances were found to play a critical role in strategy implementation at GDC. Strategic alliances were found to play role of closing resource, technology, financial and human capital gaps at GDC. This enabled GDC to implement the strategies on a timely, cost effective and efficient manner. Contractual organizational structure of GDC strategic alliances facilitated strategic decision making between other alliance partners and GDC. Insignificant conflict of interest were identified whose influence to strategy implementation at GDC were minimal.

Discussions on the findings found relevance of theories and models used in the study. Transaction cost theory, resource dependence theory and systems theory provided a firm foundation on which the study was grounded. Challenges of strategic alliances during strategy implementation were identified as behavoural, structural and managerial challenges. The challenges were found to impact negatively on strategy implementation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provided a summary of the findings of the study, conclusions and recommendations in relation to research problem and objectives of the study and implication of the study on policy and practice.

5.2 Summary of the Findings

Strategy implementation presents a challenge of operationalizing the ideas that are embedded in the crafted strategy. The crafted strategy represents idealism while strategy implementation is the reality encountered in executing crafted ideas. Implementation of study requires bringing forth the stakeholders and acting outside the boundaries of the organization. Strategic alliances challenges during strategy implementation negatively impact on successful strategy implementation process.

5.2.1 Role of Strategic Alliances in Strategy Implementation

Strategic alliances role in strategy implementation is that of closing gaps in resource, technology, knowledge and managerial competencies. Resources gap should be clearly identified by the organization to enable the organization target specific resources from the strategic alliances that serve to facilitate strategy implementation. Closing resources gap ensures reliability, quality, predicable and consistent delivery which minimizes implementation blockages, stoppages and abandonment. GDC financial alliances deserve a special discussion as a strategic resource which overrides all the other resources. Strategic alliances with financial institutions ensure steady cash flow for strategy implementation and minimizes implementation slacks associated with lack of enough funds. Financially backed strategies according to Nohria, et al(1996) are completed within the programmed timelines and register a high rate of success. GDC has strategic alliances with World Bank, International Development Bank and the Government treasury which finance most of the strategic programs.

Technological and knowledge gaps are closed by strategic alliances through competence and skills transfer. Technology and knowledge are inimitable and are embedded within the strategic partners machine capital and operating systems. Inimitability of technology and knowledge predicts that the transfer is only applicable through strategic alliances. Acquired knowledge and technical knowhow raises GDC human capital making it more competent in strategy implementation. GDC was found to be engaged in several exchange programs with suppliers of machine capital whereby employees are externally trained on machine and equipments technical operations. Technically skilled employees are used in current and future strategy implementation.

Managerial competencies are critical in strategies implementation decision making. Strategic decisions are continuously made during strategy implementation regarding resources scheduling and rescheduling, analysis of variances, financial budgets and emergencies. Managerial competence in making strategic decisions is enhanced through adoption of strategic partners operating systems which are usually time programmed. The partners coach and mentor managers on making specific decisions based on past experience. Enhanced management competence leads to rationality in making of strategic decisions.

5.2.2 Strategic Alliances challenges during strategy Implementation

Strategy implementation presents the biggest challenge to strategic alliances relationship. The partners experience unforeseen conflicts arising during implementation process. The challenges which have been described as behavioural, structural and managerial impact negatively on strategy implementation programs. GDC was found to have developed proactive mechanisms of minimizing risks and impacts emanating from strategic alliance challenges during strategy implementation. Cultural programs put in place was found to close the cultural gaps arising between strategic partners. The matrix structure adopted by GDC in strategy implementation was found to negatively impact on employee commitment to project works of strategy implementation. GDC Structural challenge in the matrix structure required communication to the employees on importance of project works.

5.3 Conclusion

From the findings, it was clear that strategic alliances have an influence on strategies implementation at GDC. Strategy implementation is therefore not sorely an internal affair of an organization but one that calls for external linkages in the form of external organizational modes or strategic alliances. Strategic alliances serve to close gaps in resources, technology, informational technology and knowledge as a process of facilitating and enhancing strategies implementation process. Organic structures which facilitates organizational flexibility, cross functional working in matrix structures were found to be critical in strategic alliances and strategy implementation.

Challenges in management of strategic alliances flows back to effectiveness of strategic alliances in strategy implementation. Structural challenges of strategic alliances, contract, joint venture or equity pose a challenge in making of strategic decisions and strategy implementation. GDC was found to have minimal structural challenge in the strategic alliances because its non-equity based. Equity structured alliances strategic decisions are made on bound rationality leading to conflict. GDC strategic alliances are contract based and obligations are defined by legal agreements. In conclusion, there is need to have an effective management of strategic alliances for them to play a significant role in strategies implementation.

5.4 Limitations of the Study

Structural limitations to the study arose from the design of the study. Like other case studies, the findings are contextualized to GDC which acted as the unit of analysis. Generalization of the findings to the industry would be inappropriate because interviewees' response was obtained from senior managers of GDC only. A further validation of the responses at GDC need to be undertaken from lower and middle level managers at GDC who are directly involved with strategy implementation through strategic alliances.

Time factor was a limitation in the study to both the researcher and the respondents. The researcher who is a full time employee lacked fullness of time to cross check information provided by the respondents with the respective strategic partners like government agencies in the energy sector, donor agencies and financial institutions. Equally the respondents in their busy schedule has limited time to provide a 100% attention to the interview guide. The senior managers who delegated to their juniors the task of responding to the questionnaire failed to take full responsibility on the information provided leading to withholding of information by junior managers or over cautious when responding.

5.5 Implication of Study to Policy and Practice

In practice GDC should put in place an office under the CEO which regulates the activities of strategic alliances at GDC. Though the legal department handles legal issues in strategic alliance, the newly to be created office should be operational based. The office would be a coordinating operations. This would also serve to evaluate performance of strategic alliances in strategy implementation. Strategic alliance is a broad area of study and practice whose mixture with functional departments diminishes its role and makes it not to be fully utilized.

5.6 Recommendations for Further Research

There is need to replicate the study to other organizations in the energy sector which are implementing strategies through strategic alliances. Replication of the study will provide in-depth knowledge on strategic alliances and strategy implementation leading to generalization of the findings. Similar studies are recommended for firms engaged in geothermal power production in Africa. The expansive studies will lower the degree of biasness and error which may arise from factors only related to Kenya.

In-depth study based on various dimensions of strategic alliances is recommended. The in-depth study will provide insight on which aspects of strategic alliances has a more significant influence on strategies implementation. The various dimensions of strategic alliances requiring further research includes; ownership or structural arrangement, knowledge and organizational learning, and intellectual properties. Managers in the organization will be in a more strategic position in determining which dimensions of strategic alliances are more beneficial to their organization.

Government through the relevant agencies and with inputs from learning institutions should formulate a framework of policies on strategic alliances in Kenya. The framework would provide insight on the successful strategic alliances and those which have failed. This would act as a learning guide to make strategic alliances more effective in strategy implementation.

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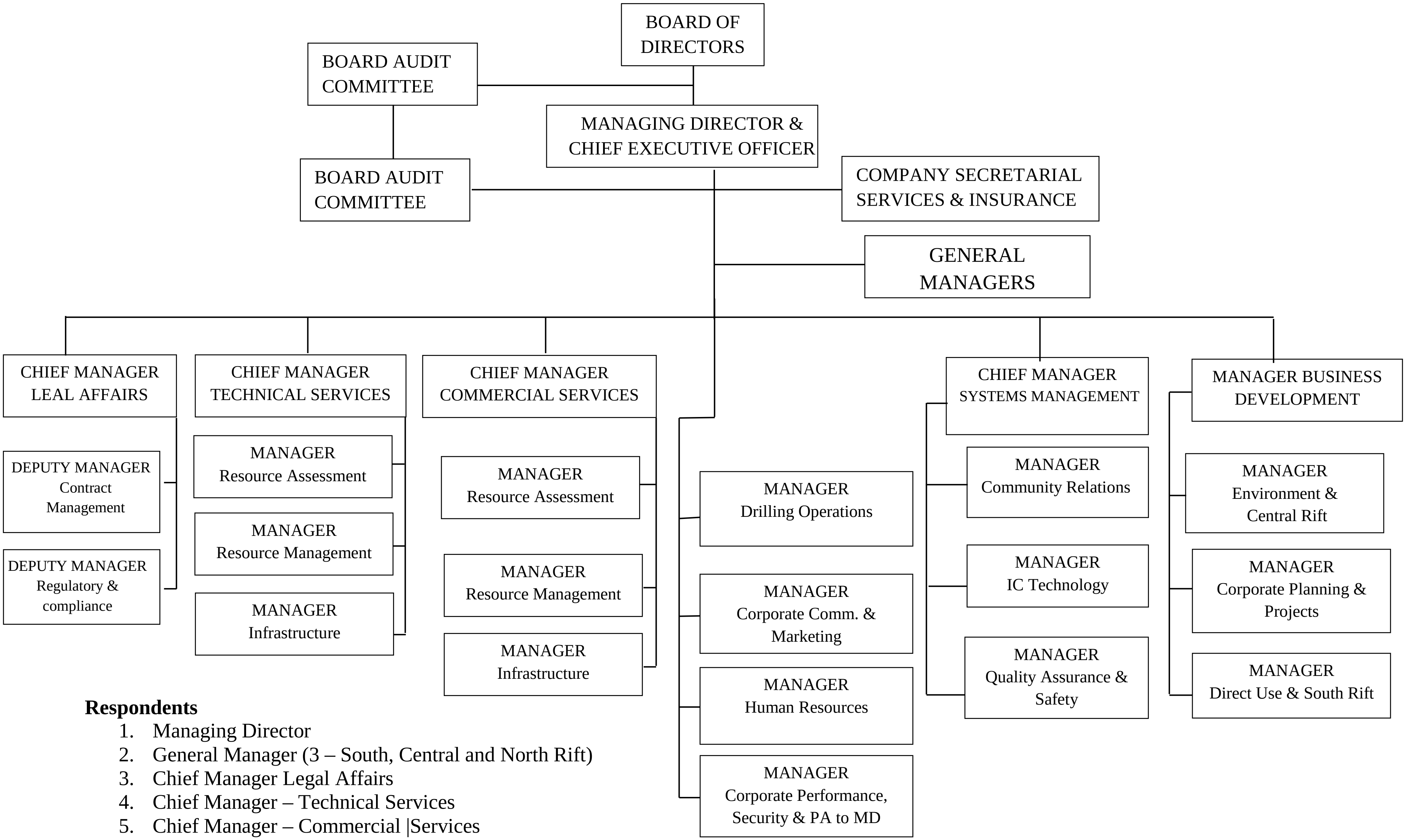
APPENDIX I

GDC ORGANOGRAM



Respondents

1. Managing Director
2. General Manager (3 – South, Central and North Rift)
3. Chief Manager Legal Affairs
4. Chief Manager – Technical Services
5. Chief Manager – Commercial |Services
6. Chief Manager Systems Management
7. Chief Manager – Business Development
8. Manager Drilling Operation

Source: GDC 2015 Report

APPENDIX II

INTERVIEW GUIDE

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

This interview guide will seek to achieve the following objectives:

(i) Establish the role of strategic alliances in strategy implementation at Geothermal Development Company.

(ii) To establish influence of strategic alliances challenges to strategy implementation at Geothermal Development Company.

SECTION A: DEMOGRAPHIC DATA

1. What is your current position at Geothermal Development Company?

   ……………………………………………………………………………………………..

2. How long have you served at Geothermal Development Company?

   ……………………………………………………………………………………………..

3. How long have you served in the current position?

   ……………………………………………………………………………………………..

4. What other positions have you served at Geothermal Development Company?

   ……………………………………………………………………………………………..

5. What is your highest attained level of formal education and professional training?

   ……………………………………………………………………………………………..

   ……………………………………………………………………………………………..

6. What is your highest level of professional training?..

   ……………………………………………………………………………………………..

SECTION B: STRATEGY IMPLEMENTATION AT GEOTHERMAL DEVELOPMENT COMPANY

7. What are the strategies which have been developed at Geothermal Development Company?..

   …………………………………………………………………………………………….

8. What is the strategy implementation process at Geothermal Development Company?

   …………………………………………………………………………………………….

9. What are the key indicators of effective strategy implementation at Geothermal Development Company?

   …………………………………………………………………………………………….

10. What are the challenges of strategy implementation at Geothermal Development Company?..

    ……………………………………………………………………………………………..

SECTION C: STRATEGIC ALLIANCES AND STRATEGY IMPLEMENTATION AT GEOTHERMAL DEVELOPMENT COMPANY

11. What are the key areas of operations that Geothermal Development Company involves strategic alliance?...

12. What are the reasons behind strategic alliances in the identified key areas at Geothermal Development Company?
……………………………………………………………………………………………….

13. How are strategic alliances of Geothermal Development Company structured? i.e. equity based/ contract based/ or joint venture?...

……………………………………………………………………………………………….

14. What are the reasons behind preference of the strategic alliances structures you have explained?..
……………………………………………………………………………………………….

15. How do strategic alliances influence strategy implementation at Geothermal Development Company?...

SECTION D: STRATEGIC ALLIANCE CHALLENGES IN STRATEGY IMPLEMENTATION AT GEOTHERMAL DEVELOPMENT COMPANY

16. What are the strategic alliances challenges in strategy implementation at Geothermal Development company?…………………………………………………………………

17. How does Geothermal Development Company solve strategic alliance challenges in strategy implementation. …………………………………………………

18. How do strategic alliances challenges influence strategy implementation at Geothermal Development Company? ……………………………………………………………….

Thank you for participation