

**CHALLENGES IN STRATEGY IMPLEMENTATION FACED BY
WATER SERVICE PROVIDERS LICENSED BY ATHI WATER
SERVICES BOARD IN KENYA**

BY

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DECLARATION

This project is my original work and has not been presented in any other University.

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APPROVAL

This Project proposal has been submitted for examination with my approval as the University supervisor.

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Dedication

To my family this is the fruition of your prayers, support, counsel and endless encouragement. Words will never be enough.

To all the leaders who are committed to making the world a better place this work is also dedicated to you.

Abstract

This paper examines the challenges faced by the water services providers in Athi Water Services Board area of Jurisdiction in strategy implementation. The foregoing study was a qualitative one. Data was collected and analysed to provide useful information and recommendations for academic purposes and improved performance.

The study established that the water service providers within Athi Water Service board area of Jurisdiction had well formulated strategic plans which had been under implementation for at least 3 years. The WSPs were monitoring the implementation of the strategic plans however the monitoring mechanisms were not very clearly defined. It was also established that 77% of the WSPs did not have planning departments or units and this probably posed a challenge in the monitoring for the WSPs to monitor their strategic plans. The key challenges identified in the implementation of their strategic plans was related to changes in the operating environment, lack of financial resources, inadequate top management commitments, organizational group dynamics, resistance to change, technological and economic changes in operating environment, rising cost of doing business mainly the cost of inputs such as electricity, fuel and chemicals, socio-political influences in the structures of organizations, high unaccounted for water, social and political interference, lack of cooperation from customers, lack of effective planning mechanism, geographical coverage, adherence to implementation timeframe and inaccurate data.

The study recommended capacity building of the WSPs in the area of strategic planning and implementation monitoring. The Act that established the water service providers should be reviewed so as to make it friendly for the WSPs to adopt business friendly practises that would enhance their sustainability. The study also recommends that WSPs should establish planning units and also recruit to fill their human resource establishment. Continuous training to staff in order to build capacity is recommended. The management should also check and control political influence by putting in place policies on recruitment and succession process.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Strategy is a central concern for practically any organization these days. In situations where the organization's environment is changing, the organization itself is faced with a need to change. Even in relatively stable environments an organization is bound to be faced with continuous choices to be made. It should be self-evident that every possible choice made or all change is not for good. Organizational choices should reflect a direction that will ensure the organization's success or at least survival.

Strategy is intimately connected with organizational choices and change. This connection is studied in the pages to follow. Whether this connection takes the form of management control or alternatively some form of collective emergent action involving a wide participation in the organization, this depends on the chosen viewpoint. This focus of this thesis is on strategy implementation, the process in which the change is brought about. Over the past a major shift has occurred in the ways that organization cope with the turbulent business environment. Researchers assert that many companies have adopted strategic planning to cope with the turbulent environment. Ansoff (1987) suggests that for a firm to optimise its competitiveness and profitability, it has to match its strategy and supporting capability with the environment. Pearce and Robinson (1997) observe that all organizations have to interact with the Environment that is constantly changing and therefore they have to establish a match between themselves and the environment.

Aosa (1992) notes that strategic management helps in providing long-term direction for an organization whereby they perform current activities while at the same time view them in terms of their long term implications for the probable success of their organization. It helps companies to focus their resources, efforts and also be able to develop competitive advantage in the market. Strategy has no value to an organization unless they are effectively translated into action. Njau (2000), points out that

implementation of a chosen strategy is by any measure one of the most vital phases in strategic management since it is here where action is taken.

1.1.1 Concept of strategy

In order to understand strategy implementation, one must first understand strategy.

The task of defining the concept strategy is overwhelming. Since its tremendous popularity in management literature it has become increasingly difficult to determine which attributes of the concept are the defining ones and which are not. Historically, the term strategy stems from the Greek word *strategos*, which is Greek for general. It must be stressed, though that the relevance of military strategy to today's organizational strategy is a different matter than the etymological origins of the term strategy. Mintzberg (1995) has created a "five-P-model" for the definition of strategy, which provides some clues to the rich meaning of the concept. The classical conception of strategy can be seen in military strategy, in game theoretical management literature (Neumann and Morgenstern, 1947) and in many content based management textbooks. A wholly different conception of strategy is to view it as a *pattern* of emerging actions and behaviour. According to the pattern-view, strategy is not a preconceived plan, but a consistency in behaviour. In a sense according to the pattern view, strategy is not a proactive but a reactive concept. This view may be hard to accept, but it reflects the reality of many organizations (Mintzberg, 1995)

Mintzberg himself has been an influential proponent of the pattern-view. He has argued that, in the complex reality experienced by the modern organization, the job of the manager is not that of programming the employees but that of giving them a strategic vision, created by hard data provided by the strategists (Mintzberg, 1994), a similar argument is given by Bartlett and Ghoshal (1994) who emphasize the need for managers to provide purpose for the members of their organizations.

The strategy can be viewed as a *position* for the company in its environment. Environment is the keyword here – the organization has to create a fit for itself in relation to its competitors, external stakeholders and so on. A well-known principle in

this frame of mind is the SWOT-analysis, created by Andrews (1971). Another well known writer, perhaps the most influential modern strategist in general in the position-paradigm is Porter (Porter, 1980). This conception of strategy can be seen as proactive or reactive, as planning-based or emergent (Mintzberg, 1995)

The formulation of the concept strategy projects forcefully on the research paradigm. A classical distinction is the separation of content and process in strategy literature. The content literature has held the centre field for a long time and is more dominant in quantity, while the process literature is a younger and more commencing field. (Pettigrew, 1992.) The content literature is primarily concerned with the development of competitive superiority by reconfiguring resources, competencies and linkages. The main emphases of the process literature are the management processes on which strategic change is accomplished (MacIntosh and MacLean, 1999.)The authors interested in the content of strategy have shown very little interest in the implementation of strategy, while the process-type authors place their emphasis on the strategy process: formulation, implementation and evaluation as a whole.

1.1.2 Strategy Implementation

Implementing a strategy or strategy implementation is defined as 'the translation of strategy into organizational action through organizational structure and design, resource planning and the management of strategic change'. Therefore, the successful implementation of a strategy would be how well the various components in carrying it out are successfully integrated and interact.

Pressman and Wildavsky (1984) state that implementation could not be successful if it is divorced from Planning. They further argue that good implementation must begin in the actual planning of the policy. Policy makers tend to divorce themselves from the actual implementation of their policy and as a result they misestimate the amount of time and detail that is required to be successful. This comes in many forms. Pressman and Wildavsky (1984) note leaders make decisions and in thinking about the finish line, often fail to contemplate all the intricacies of getting there. They expect those

under them to figure out the sequence of events. Implementation is an evolutionary process, not a revolutionary. There must always be evaluation and tweaking occurring for implementation to be successful. This must be an ongoing process or the project will hit a wall and may not recover. The longer the players take to implement the policy the more difficult it is to be successful.

Eugene Bardach (1995) takes exception to this notion. In his book, *The Implementation Game: What Happens after a Bill Becomes a Law*, Bardach argues that the Pressman and Wildavsky (1984) do not go far enough with their assessment of the delays that plagued Oakland. Bardach calls for the authors to identify implementation processes that may in fact undermine the integrity of the policy (Theodoulou and Cahn, 1994). He argues that sometimes delays are not only sometimes needed, but are also required to get the best results. Where Pressman and Wildavsky (1984) want implementation to be a smooth process with as few steps as possible, Bardach (1995) believes that there should be some level of conflict between players trying to attain “control”. Bardach (1995) states that “control is exercised through bargaining, persuasion and manoeuvring under conditions of uncertainty” . Bardach (1995) believes that this struggle between players results in attention to detail and thus, better ideas for implementation. Giandomenico Majone (1984) echoes Bardach’s argument, Majone (1984) argues that persuasion should be utilized in all of the processes of policy making. He feels that discussion mobilizes knowledge and ultimately leads to better policy making decisions.

Pressman and Wildavsky (1984) also acknowledge that there is a wedge between decision makers and the people who implement those decisions. The authors point out that the process carries an elitist feel. The decisions are handed down from those in power and they focus on the end goal, however they are not aware of the steps that need to be taken to get there. They leave that part up to subordinates. All the while, the subordinates need resources to carry out the implementation plan and that usually forces them to ask the people in power for their funds. Gurowitz (2001) notes that in

today's business world, strategy implementation is inseparable from effective leadership and communication within the company.

1.1.3 Water sector Reforms in Kenya

The Government of Kenya has undertaken wide ranging reforms of the water sector guided by the National Policy on Water Resources Management and Development (Sessional Paper No 1 of 1999). This culminated with the enactment of Water Act 2002 that provided a harmonized and streamlined management of water resources, water services (water supply and sewerage services). The Water Act 2002 provides for separation of roles of policy formulation, regulation and services provision in water sector.

1.1.4 Water Service Boards and Water Service Providers

Water service boards were formed as the asset holding entities on behalf of the Government. There are currently eight water service board in the Kenya who have been issued with licenses by the water services regulatory board. The water services providers are entities licensed by the water service boards to provide water and sewerage services within the Area of Jurisdiction of the respective water service boards.

1.1.5 Athi Water Services Board

In line with the water sector reforms, the Athi Water Services Board (AWSB) was established to oversee the management of water and sewerage services in the city of Nairobi and the districts of Kiambu West, Kiambu East, Thika and Gatundu. It was gazetted vide the Gazette Notice No 1775 of 21st March 2003 and licensed on 5th April 2004 by Water Services Regulatory Board. In addition, Water Service Providers (WSPs) have been constituted to provide services in these areas under agreement with the AWSB through a service provision agreement (SPA). It is intended that these institutions will implement sound principles of management, commercial accounting and financial control. AWSB has licensed 11 water service providers (Nairobi, Kikuyu, Kiambu, Githunguri, Gatundu South, Karemuni, Gatanga, Karuri, Limuru, Ruiru Juja

and Runda Water Companies) in its area of Jurisdiction and serves a population of 4.3 million inhabitants.

1.2 Research Problem

Provision of adequate water and wastewater services is a key element towards the achievement of several national development policies. The Kenya's Water Policy recognizes the key role that provision of safe and sufficient water triggers development. The National Water Policy and Government have put emphasis on a water service delivery framework to achieve this objective. This is to be achieved through the enacted Water Act 2002 which heralded the water sector reforms in the country. In line with the Act, water sector reforms were rolled out with the formation of key institutions with clearly defined roles in water services provision. Institutions which are expected to directly provide water services to consumers are the Water Service Providers (WSPs) and they are regulated through a water service provision agreement issued by the Water Service Boards. Athi Water Services Board (AWSB) was established to oversee the management of water and sewerage services in the city of Nairobi and the districts of Kiambu West, Kiambu East, Thika and Gatundu.

Water service providers are facing numerous interlocking challenges involving the environmental quality of life in their communities, increasing capital construction needs in a time of economic scarcity, the need to control rates and charges, the demands of their customers for improved service, the requirements of local and state regulators and many others. To meet these challenges, management of utilities must prioritize the allocation of limited resources and focus the utility organization on the key factors necessary for success. To accomplish this, each the water service provider is required to define the organization's ultimate goals, including goals related to integrated resource planning and total water management, allocate the organization's financial, organizational and political resources towards achieving those goals and to also energize management and staff as a team dedicated to achieving short and long term success. To assist in this effort, management of several progressive water service

providers have implemented a strategic planning process designed to help drive their organizations towards improved performance and strategic success.

In strategy literature there is a gap between strategy formulation and implementation. The nature and width of this gap is mainly determined by the held conception of strategy. Therefore, to understand strategy implementation one must also understand strategy as such. Kwamboka (2010) analysed the challenges facing strategic management plan in Nairobi city water and Sewerage Company. Karanja (2010) looked at strategy formulation and therefore there are few studies with regard to strategy implementation in the water sector. This study sought to answer the question, what are the challenges faced by the water service providers licensed by Athi Water Services Board to operate in its Area of Jurisdiction in strategy implementation?

1.3 Research Objectives

The objective of the study was to establish the challenges of strategy implementation faced by the water service providers in licensed by Athi Water Services Board .

1.4 Value of the Study

The study will be of importance to the managers of water utilities in determining the effectiveness of the strategies they are currently employing in managing water service provision and the challenges faced in their implementation for possible remedial actions. The Government will benefit from the information especially the Ministry of water and related agencies such water service boards who are responsible for management of water service providers in formulating policies that create conducive working environment for the water sector to thrive.

The scholars and other research students will find research data useful for reference purposes and identifying areas of further research. This research can help in directing students on further research which can be conducted within the water sector.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter previous studies related to the topic are reviewed. This chapter begins with literature concept on strategy, strategy implementation, critical issues of strategy implementation at the Water Service Providers and sources of challenges to strategy implementation.

2.2 Concept of strategy

Businesses vary in the process they use to formulate to formulate and direct their strategic management activities Pearce & Robinson (2005). They define strategy as a large scale, future oriented plans for interacting with the competitive environment to achieve a companies objective. Lynch(2009) argues that strategic management can be seen as the linking process between the management of the organizations internal resources and its external relationships with customers, suppliers, competitors and the economic and social environment in which it exists. He further argues that strategic management consists of two main elements: corporate level strategy and Business level strategy. Ansoff (1969) and Drucker (1961) refer to both this aspects of strategy as mapping out the future direction that need to be adopted against the resources possessed by the organizations.

The practice and concept of strategy has many varied meanings, yet it remains closely related to planning and planning models. The word “strategy” is now applied to almost every management activity. According to Johnson and Scholes (2002), strategy is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations. In other words, strategy is about: where the business is trying to get to in the long-term; the markets it should invest in and the kind of activities involved in such markets; how the business can perform better than the competitors in those markets; the resources (skills, assets, finance, relationships, technical competence, facilities) required to

enable it to compete; the external environmental factors that affect the business' ability to compete, and the values and expectations of those who have power in and around the business. Strategy is often conceptualized as a term for operating at both the corporate and competitive level.

Corporate strategy is defined as the actions and plans which influence the portfolio of different activities in the firm. Operationally, this can be seen as the level of diversity achieved, the mode used to achieve that level of diversity and the management of the diversified set of assets and businesses (Ramanujam and Varadarajan, 1989). Judith et al. (1998) posits that corporate strategy is seen as a proxy for managerial values and goals and the underlying motivations of top managers as revealed through their chosen diversification strategy. This diversification can be achieved through involving all the people who have power in and around the business. Watson (2002), on the same note, adds that there are exchanges between the organization and the various constituencies with which, in the broadest sense of the term, it has to 'trade' to continue in existence.

However it is important to note there is no universally agreed definition of strategy Lynch (2009). Different Authors and managers use the term differently for instance some include goals and objectives as part of the strategy, while others make distinction between the two (Mintzberg and Quinn, 1995). There are many approaches to strategy but none are universally accepted. Burnes (2004) argues that managers rather than being prisoners of mathematical models and rational approaches to strategy development, they have considerable freedom of action and wide range of approaches to choose from. He further argues that managers can exert some influence over strategic constraints and at least they can select the approach to strategy that best suits their preferences.

There is the prescriptive view of strategy which implies that it is possible to plan a strategy in advance and then carry out the strategy over time. A prescriptive strategy is one whose objective has been defined in advance and whose main elements have been developed before the strategy commences.

An emergent strategy is one whose final objective is unclear and whose elements are developed in the course of its life as the strategy proceeds. Quinn (1980) emphasizes on the uncertainty of the future and suggests that setting out to identify a purpose and a single strategy and then develop a complete strategic plan may be a fruitless task. They argue that strategic management is an entrepreneurial and dynamic with an element of risk. The implication of this view of strategy is that strategy evolves as the events both inside and outside the organization change over time and hence this view of strategy is referred to as emergent view of strategy Lynch (2009).

2.3 Strategy Implementation

The first concern in strategy implementation of the business strategy is to translate that strategy into action throughout the organization. Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Organizational structure allocates special value developing tasks and roles to the employees and states how these tasks and roles can be correlated so as maximize efficiency, quality, and customer satisfaction-the pillars of competitive advantage. But, organizational structure is not sufficient in itself to motivate the employees.

Strategy implementation is largely an internal administrative activity. It entails working through others, organizing, motivating, culture building and creating strong links between strategy and how the organization operates. It also entails a process of converting the formulated strategies into viable operations that will yield the organization's targeted results. Delicate and sensitive issues are involved in strategy implementation, such as resource mobilization, restructuring, cultural changes, technological changes, process changes, policy and leadership changes.

The changes can be adaptive (calling for installation of known practices), innovative (introducing practices that are new to adopting organizations) or radically innovative (introducing practices new to all organizations in the same business or industry) (Byers et al., 1996). Pettigrew (1987) draws his explanation of what strategy implementation means by distinguishing the content of the strategy, the outer and inner contexts of an organization and the process in which strategic change is carried out. He, however, recognizes the fact that the content, the context and the process are inter-related and affect one another. On the same note, other researchers in this field of strategy implementation believe that organizations have no choice but to translate their formulated strategies into concrete processes that would ensure the success of their strategic visions Daft (2000). Thompson and Strickland (1998) argue that strategy implementation is all about acting on what has to be done internally to put formulated strategies in place thus ensuring that targeted results are achieved within the targeted framework of time.

Targeted results may be the expected levels of financial performance of an organization or the efficiency in service delivery, especially for non-profit making organizations and strategy implementation can also be understood depending on the perspective one takes on strategy. For example, is strategy first formulated and then implemented, or vice versa? Mintzberg (1979) argues that if one believes that strategies are explicit, implementation would mean carrying out the pre-determined strategic plans. However, one may also hold an emergent view on strategy. In such instances, strategy is not necessarily first created before implementing it but it emerges and evolves without the aid of strategy formulators or in spite of them. Wildavsky and Pressman (1984) did a good job of detailing how implementation needs to be carried out and they use the Oakland case study to show that a good policy is more than a good plan and enthusiasm. According to authors, good implementation must begin in the actual planning of the policy (Pressman & Wildavsky, 1984, 136-7). Policy makers tend to divorce themselves from the actual implementation of their policy and as a result they misestimate the amount of time and detail that is required to be successful. This comes in many forms. Wildavsky and Pressman (1984) note leaders make decisions

and in thinking about the finish line, often fail to contemplate all the intricacies of getting there. Wildavsky and Pressman (1984) conclude that implementation is an evolutionary process, not a revolutionary and there must always be evaluation and tweaking occurring for implementation to be successful. Bardach (1995) notes that it is important to identify implementation processes that may in fact undermine the integrity of the policy and further argues that sometimes delays are not only sometimes needed, but are also required to get the best results.

2.4 Critical Issues of Strategy Implementation at the Water Service Providers

In the current turbulent economic times, firms in Kenya operate under increasing competitive and ever-changing environment. This puts them under pressure to continually review their strategic plans or formulate new ones to suit the existing trends. Further, without proper strategy implementation, even the most superior strategy is useless.

According to Aosa (1992), once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. This is necessary if such organizations are to remain competitive and relevant to current market trends. Strategy implementation is inextricably connected with organization change. The changes made to the organization configuration (structure, processes, relationships, boundaries) present internal sources of challenges. Further, changes in the macro-environment, the industry forces and the operating environment present external sources of challenges. The industry forces create intense competition as opposed to what could often occur under a monopolistic environment. This underpins the importance of scanning the internal and external environment as an important analysis during strategic planning. The link between strategy planning and implementation, coupled with communicating the strategy and allocation of resources to the plan, all aim at minimizing challenges to implementation.

2.5 Sources of Challenges to Strategy Implementation

Strategy implementation can pose a number of challenges. The challenges arise from sources that are internal and external to the organization. The particular challenges that will face strategy implementation will depend on the type of strategy, type of organization and prevailing circumstances. Many challenges in strategy implementation can be avoided if strategy development is coupled with implementation. The lack of understanding of a strategy and the inability to connect strategy formulation and implementation has an impact on successful implementation.

2.5.1 Internal Sources

Strategy implementation is inextricably connected with organizational change. People working in an organization sometimes resist change proposals and make strategy difficult to implement (Lynch, 2000). Systemic resistance results from passive incompetence of the organization in support of strategy and occurs whenever the development of capacity lags behind strategy development. This may further hinder implementation, especially where strategic and operational control systems do not detect and cause adjustment to the changing internal environment. The behavioural challenge, in addressing the social system (people), is in creating a shared understanding of the different perspectives all the people in an organization hold, as a preamble to the commitment in searching for solutions. The compatibility of organization culture to new strategic changes is an important measure in overcoming this challenge.

Lack of synergy between strategy and culture may obstruct the smooth implementation of strategy by creating resistance to change and Aosa (1992) states that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change and de-motivation, which in turn can frustrate the strategy implementation effort. However, when culture influences the actions of the employees to support current strategy, implementation is strengthened. Maximizing synergy, while focusing to reinforce culture, managing around culture and

reformulating a new organization culture, are some recommendations, by Pearce and Robinson (2001), of managing strategy-culture relationships in various situations. Inappropriate systems utilized during the process of operationalization, institutionalization and control of the strategy are often sources of challenges during strategy implementation. The process of institutionalisation relies heavily on the organization configuration that consists of the structures, processes, relationships and boundaries through which the organization operates (Johnson and Scholes, 2003).

The relationships consist of interactions, influence, communication and power dynamics, among other elements that occur in a systematic or a structured manner. Whilst the strategy should be chosen in a way that it fits the organization structure, the process of matching structure to strategy is complex (Byars et al., 1996). The choice of a particular structure is a formidable challenge. Dual chains of command challenge fundamental organizational orientations. Negotiating shared responsibilities, use of resources and priorities can create misunderstanding or confusion among subordinates. The biggest challenge in leadership is in determining the “right things”, especially at a time where industries are mature or declining; the global village is becoming increasingly complex, interconnected, and unpredictable; and product lifecycles are shrinking (Dess et al., 1998). Such challenges are even more acute in strategy implementation. A leader also faces all kinds of barriers, such as conflicting objectives, organizational fiefdoms, political rivalries and organizational inertia.. Such happenings impede strategy implementation process. Kangoro (1998) notes that lack of commitment to strategic management practices by top management and other employees of the organizations results in poor implementation.

David (2003) asserts that organizations have at least four types of resources that can be used to achieve desired objectives, namely financial, physical, human and technological. The various activities necessary to implement any particular strategy should be defined in terms of each type of resource required. The operating level must have the resources needed to carry out each part of the strategic plan (Harvey, 1998). It is often a common practice to reduce this specification of resource requirements to

monetary terms (Copeland et al., 2000). According to Daft (2000), one major shortcoming of strategic implementation in organizations is a failure to translate statements of strategic purpose, such as gain in market share, into identification of those factors which are critical to achieving the objectives and the resources/competencies to ensure success. The intangible resources may also lead to unique challenges associated with external accountability imposed by the authorizing environment.

Inadequacy of any form of resources, such as inadequate funds, equipment and facilities, and human resources skills and experience, is often a big challenge during strategy implementation. Swartz (1985) argues that the challenge to management is that it might need to recruit, select, train, discipline, transfer, promote and possibly even lay off employees to achieve the organizational strategic objectives. He further argues that since more and more organizations are using teams, the ability to build and manage effective teams is an important part of implementing strategies. Okuto (2002) came to the conclusion that labour relations were another resource related challenge that may hinder strategy implementation.

2.5.2 External Sources

Strategy implementation challenges are also found in sources external to the organization. The challenges will emanate due to the changes in the macro-environment context, namely Economic, Political, Legal, social, technological and environmental. In the rapidly changing social environment of the highly interdependent spaceship earth, businesses feel great pressure to respond to the expectations of society more effectively. Therefore, any changes in social values, behaviours and attitudes regarding childbearing, marriage, lifestyle, work, ethics, sex roles, racial equality, social responsibilities among others will have effects on firms' development (Pearce and Robinson, 2003).

Unanticipated changes in the government policies regarding taxation, industry cooperation, environmental protection, water policies, among other factors will impact

on strategy implementation. A new administration may also bring about changes to the board of directors and leadership in an organization. Efforts to implement the strategy can be greatly impaired by challenges arising from the industry forces that include powerful buyers, powerful suppliers and stiff rivalry from the competitors. Changes in the degree of integration of major competitors, industry's vulnerability to new or substitute products, changes in the magnitude of the barriers to entry, number and concentration of suppliers, nature of the industry's customer base and the industry's average percentage utilization of production capacity are all likely to impact on implementation. Information is a key resource of particular attention at the moment with the rapid advances in information technology. These developments in the ability to access and process information can build or destroy an organization's core competences that are crucial for competitive advantage (Johnson and Scholes, 2002). IT is also spawning new business models, where traditional 'value networks' are being configured. Technological innovations can give a firm a special competitive advantage (Githui, 2006). Without continued product or service improvement, profitability and survival are often jeopardized. This may present a serious threat to most organizations but may serve as an opportunity to others (Johnson and Scholes, 2002). The operating environmental forces compounded by pressure arising from stakeholders like creditors, suppliers, customers, shareholders, government and the local community can impose challenges that could impair strategy implementation.

Changes in the operating environment, anticipated new substitute and advances in innovation technology will determine how an organization implements its strategy (Pearce and Robinson, 2003). An organizational control system equips managers with motivational incentives for employees as well as feedback on employees and organizational performance. Organizational culture refers to the specialized collection of values, attitudes, norms and beliefs shared by organizational members and groups. Implementation of strategy will vary according to the nature of the strategic problem which the organization faces. Lynch (2009) argues that two causes of variation in implementation are the degree of uncertainty in predicting changes in the environment and the size of the strategic change required.

Pettigrew and Whipp (1991) analysed how strategic change occurs in four sectors of the UK industry and they suggested that strategic change can most usefully be seen as a continuous process, rather than one with distinct stages such as a formulation of strategy and then its implementation. Strategist Hrebiniak and Joyce (1984) suggested that the implementation process is governed the principles of bounded rationality and minimum intervention. The basic elements of an implementation process i.e. the identification of the general strategic objectives, formulation of specific plans, resource allocation and budgeting, monitoring and control procedures apply to all organizations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology used for the study, it gives details regarding the procedures to be used during the study. The areas covered include research design, population for the study, sample design, data collection and data analysis.

3.2 Research design:

This study was conducted through a census survey design. The survey design was more appropriate as the study covered cross sectional studies hence enabling the researcher to collect data from broader category for comparison purposes. The questionnaire and personal interviews method was used for primary data collection and for secondary data, annual reports and magazines were reviewed. The data, after collection, was processed, summarized and verified in accordance with the objectives of the study. The researcher used a questionnaire for all respondents of the study. Content analysis for qualitative data was performed. This method was preferred on the basis that subjecting the collected data to content analysis allows the researcher to learn about underlying attitudes, biases or repeating themes.

3.3 Population:

The research being a census study involved the eleven water service providers licensed by the Athi Water services board to operate in its area of jurisdiction.

According to cooper and Schindler (2003), a census survey is where data is collected for all members of the population.

The census was necessary due to the relative small size of the population as this provided an overall picture of strategy development and implementation by the water service providers in Athi Water services board area of operation. The number of water service providers operating within the Athi Water services board area is small and as such sampling was not necessary.

3.4 Sample design

The study targeted the licensed water service providers namely: Nairobi city water and sewerage company, Kikuyu water and sewerage company, Kiambu water and sewerage Company, Githunguri water and sewerage company, Gatundu South water and sewerage company, Karemuni water and sewerage company, Gatanga Water scheme, Karuri water and sewerage Company, Limuru water and sewerage Company, Ruiru Juja water and sewerage company and Runda Water Company.

3.5 Data collection

Qualitative data was collected focusing on the strategy implementation challenges facing the water service providers. Primary data was collected using a questionnaire. The questionnaire comprised of both open and close ended questions which provided for both qualitative and quantitative data. The personal interview method was used for primary data collection and for secondary data; annual reports and magazines were reviewed.

The questionnaires were self administered through delivery and collection of the questionnaires. The targeted respondents will be persons in the organization who are conversant with strategy implementation. Some of the challenges experienced during the collection of the data included getting the MDs to fill in the questionnaires which not easy, and after interviewing the managers of the WSPs it was found that information provided was a duplication hence it was found sufficient to analyse the at least one questionnaire per WSP.

3.6 Data Analysis:

Primary data was collected by use of structured questionnaires which is attached as appendix 1 and personal interviews. The structured questionnaire is an efficient data collection mechanism particularly in quantitative analysis since each respondent is asked to respond to the same set of questions. This technique uses a set of

categorization for making valid and replicable inferences from the data to their context (Baulcomb, 2003)

The target respondents were the senior management team of the water service providers because of their role and positions which give them the ability to respond to the questions. Completed questionnaires were inspected for completeness, edited, coded and the data inputted into Statistical Package for Social Sciences (SPSS) package.

The data was broken down into different aspects of strategy implementation, arranged into logical groups and analysed using descriptive statistics such as means scores, percentages, frequencies and cross tabulations. Due to the qualitative nature of the data statistical package for social sciences (SPSS) was used to analyse the data. This offered systematic and qualitative description of the objectives of the study.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis of the data that was collected which aimed at establishing challenges in strategy implementation faced by water service providers licensed by Athi water services board in Kenya. The data was exclusively gathered using a questionnaire and the research instrument was designed in line with the objectives of the study. To enhance the quality of data obtained, likert type of questions were included whereby the respondents indicated the extent to which the variables were practised in a five point scale. The data has been presented in quantitative and qualitative form followed by discussions of the data results. This chapter concluded with critical analysis of the findings.

The data targeted 11 water service providers licensed by Athi Water Services Board and 13 questionnaires were filled in and returned making a response rate of 100%. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% adequate for analysis and reporting ; a rate of 60% is good and a response rate of 70% and over is excellent. This survey can therefore be said to be successful.

4.2 Demographic Outlook

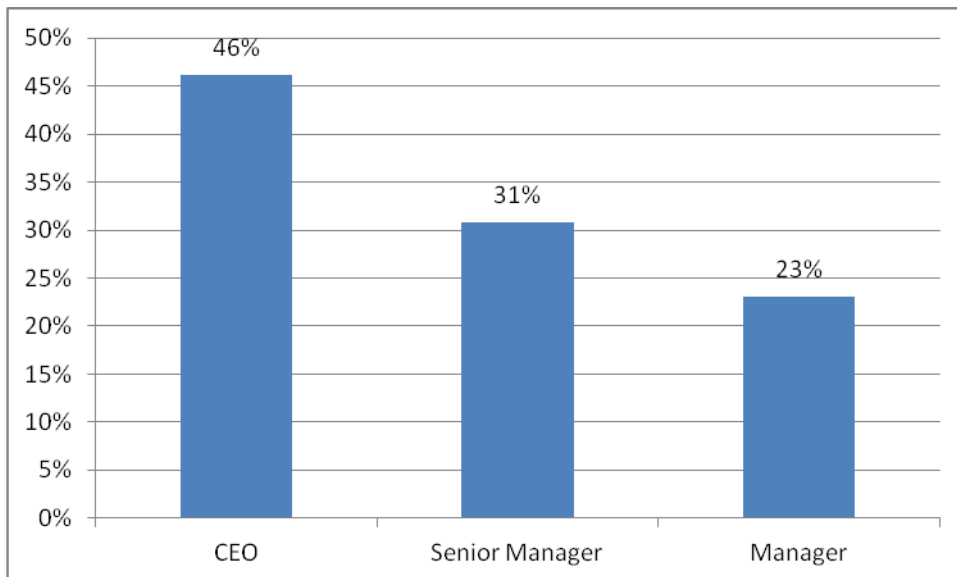
The demographic outlook of the target respondents was based on the number of years the respondent has been working with the water service provider, their current position in the WSP and the number of years they have worked at the present position.

Table 1: Number of Years with WSP

	Frequency	Percent
Less than 1 year	1	8%
1 year and above, but less than 3 years	3	23%
3 years and over	9	69%
Total	13	100%

Table 1 represents the profile of the respondents where 69% have been with the WSP for over 3 years, 23% have been with the WSP between 1 year and above, but less than 3 years while 8% have been with the WSP for less than 1 year. This indicates that majority of the respondents are fully conversant with the operations of the WSP.

Figure 1: Current position in the WSP



The researcher was interested in the current position of the respondents. From the findings 46% of the respondents were the managing directors of the WSPs, 31% were senior managers and 23% were managers. This shows that majority of the respondents were senior management of the water service providers.

Table 2: Number of years in current position

	Frequency	Percent
Less than 1 year	0	0%
1 year and above, but less than 3 years	4	31%
3 years and over	9	69%
Total	13	100%

Regarding the number of years in the current position it was found that the 31% of the respondents had operated in their current position for 1 year and above, but less than 3 years and 69% of the respondents had operated in their current position for over 3years.

Table 3: Gazzetment of WSPs

	Frequency	Percent
1 year and above, but less than 3 years	1	8%
3 years and over	12	92%
Total	13	100%

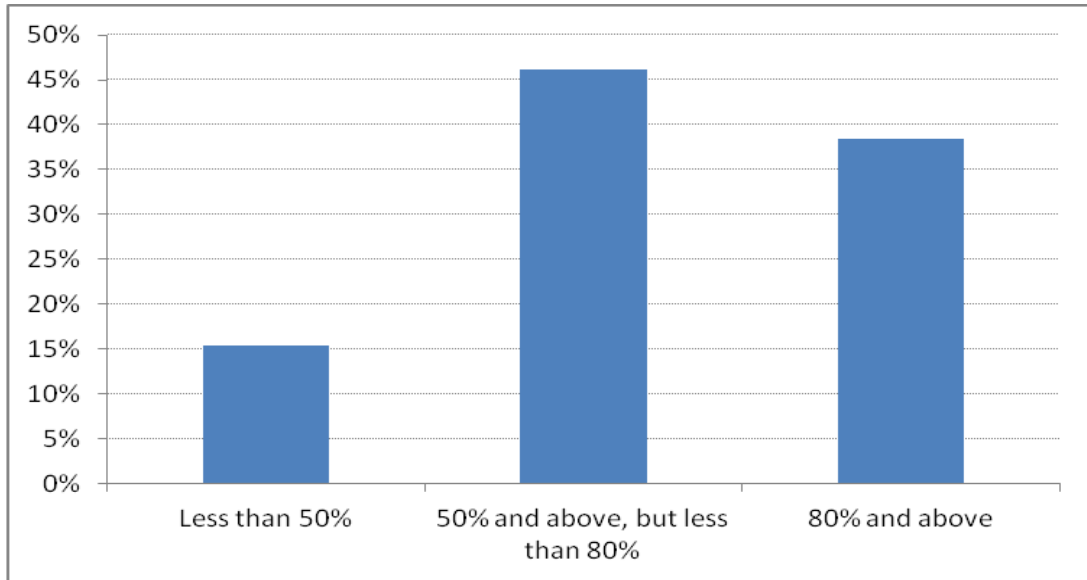
The researcher was also interested in the number of years that the WSPs had been operating legally . It was found that the 92% of the WSPs have been operating for over three years and 8% had been operating1 year and above, but less than 3 years.

Table 4: Organizational structures of the WSP

	Frequency	Percent
Divisional	3	23%
Functional	10	77%
Total	13	100%

With regard to the organizational structures adopted by the WSPs in the area of study it was found that 23 Percent adopted divisional organizational structure while 77% of the WSP adopted functional organizational structures.

Figure 2: Current status of Filled Established positions



With regards to the current status of filled up positions by the WSP, it was found that 15% of the WSPs had filled up less than 50% of their current positions, 46% had filled up between 50% to 80% of their staff establishment and 38% had filled over 80% of their establishment. This indicates that majority of the WSPs are yet to complete filling their staff establishment to the optimal levels required.

4.3 Strategic Planning

Under this area the researcher was interested in finding out whether the respondent has developed any strategic plans, how long ago were these plans first developed in the company and the duration covered by the current strategic plan. It was also important to determine whether the strategies in the organization changed over time, whether WSP intended to maintain the current strategies. The researcher was also interested in knowing who develops these strategies, characteristics of the planning process in the organization and who approves the final strategic plans before they are implemented.

Figure 3 : Period of strategic plan Implementation

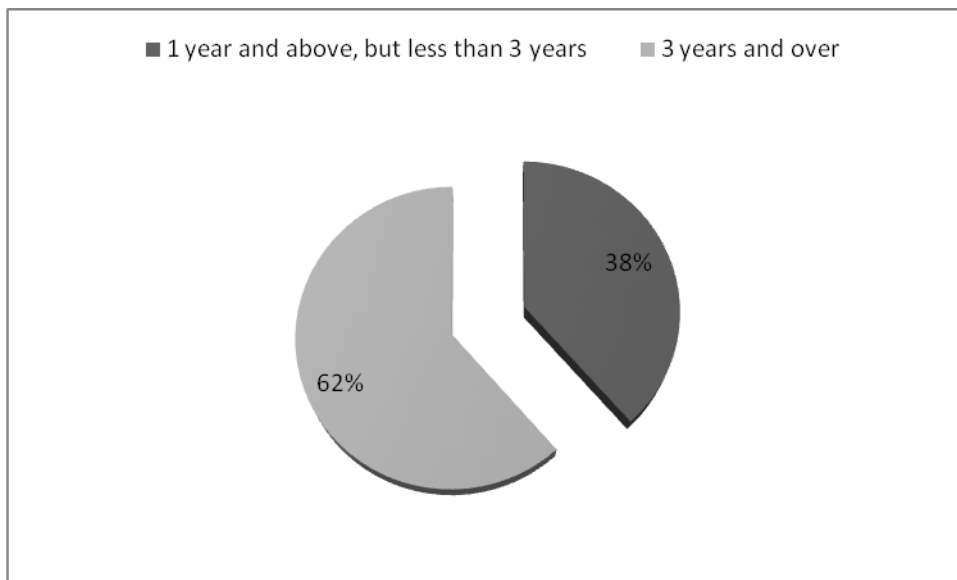


Figure 3 illustrates the 38% of the respondents have implemented the WSPs have implemented the strategic plan for over 3 years, while 62% have implemented for period of between and I year but less than 3 years. This indicates that the WSPs have prepared strategic plans and have been implementing them.

Table 5 : Life span of the current strategic plan

	Frequency	Percent
3 years	9	69%
5 years	4	31%
Total	13	100%

The researcher was interested in finding out the lifespan of the strategic plans under implementation and it was found that 69% of the WSPs had their strategic plans spanning for 3 years while 31% had their strategic plans operating for 5 years.

Table 6 : Have the strategies changed over time

	Frequency	Percent
Yes	10	77%
No	3	23%
Total	13	100%

The researcher was also interested in determining whether the strategies adopted by respondents have changed over time it was found that 77% of the respondents had experienced changes in their strategies while 23% did not experience any changes in the strategies adopted. From the data analysed it goes to show that the majority of the respondents have had to change their strategies over time so as to comply with the changes in the environment.

Table 7 : Who develops the strategies?

	Percent
A select committee of senior management team with an internal facilitator	31%
A select committee of senior managers with an external facilitator	69%
	100%

With regards to the development of strategies it emerged that 69% utilize a select committee of senior managers with an external facilitator while 31% of the respondents utilize a select committee of senior managers with an internal facilitator. From the data analysed it was evident that the senior management of the institution was involved in preparation of the strategies while the all the respondents indicated that their board of directors were involved in the approval of the strategic plans.

Table 8 : Factors affecting strategy Implementation

Influence	Mean
Products and service demands by customers	4.67
Financial resources available	4.40
Internal staff capacities	4.17
Guidance from WASREB	4.17
Need for regional balance in your area of jurisdiction	3.67
Guidance from the Ministry of Water	3.46
Political considerations	2.77

With regards to factors affecting strategy implementation in the sector it was found that the demand for product and services was the highest factor with a mean of 4.67 followed by availability of financial resources with a mean of 4.40. Political considerations were the least factor that affected strategy implementation with a mean of 2.77. This analysis indicates the critical factors that affect strategy implementation.

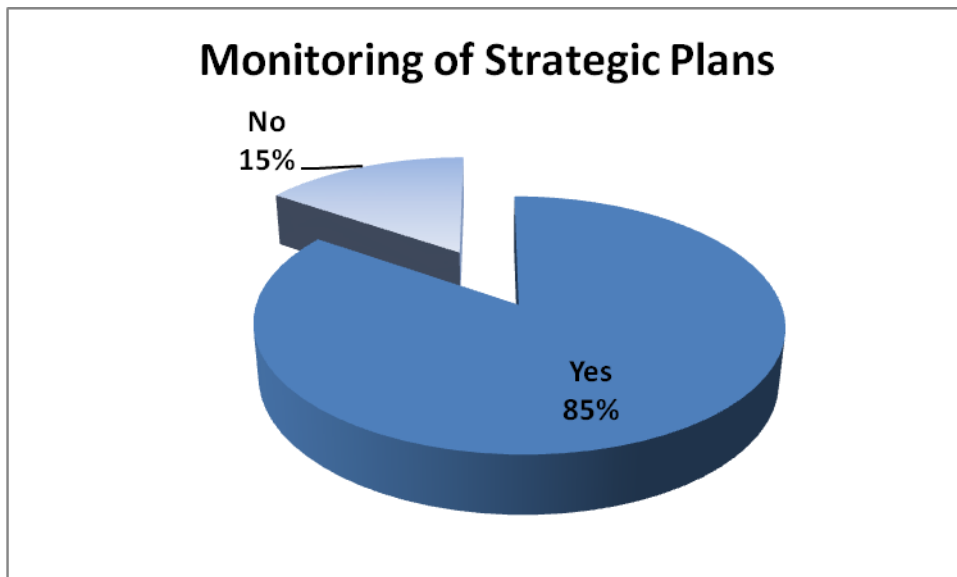
Table 9 : Satisfaction with operations in the water sector

Satisfaction	Mean
Commercialisation of Water Service providers/ Water utilities	4.08
Enhanced regulation of Water Service Providers/ Water utilities	3.92
Management style of the top managers of the WSB	3.92
Operation and maintenance of physical infrastructure for	3.85

service delivery	
Availability of adequate water sources	3.38
Commercialisation of Water Service Boards with the government meeting the cost of service to the poor	3.31
Development of adequate physical infrastructure for water and sewerage services delivery	2.85
Continued financing of expansion of service coverage by the government	2.85

In regard to the satisfaction of the WSPs with the operations in the water sector, it was evident that WSPs were most satisfied with commercialisation of the water service providers. The WSPs were most dissatisfied with the development of adequate physical infrastructure for water and sewerage services delivery and the financing of expansion of service coverage by the government which had a mean of 2.85. This implies that this were areas that could affect the WSPs from achieving their objectives.

Figure 4 : Monitoring of the strategic Plans



The researcher was interested in knowing whether the WSPs were monitoring their strategic plans, from the data analysed it was found that 85% of the respondents

monitored their plans while 15% did not monitor implementation of their strategic plans. The WSPs that undertook monitoring utilized methods such as annual business reviews, bi-annual monitoring and evaluations, monitoring and evaluation reports, monitoring of the implementation matrix, periodic monitoring and evaluation, quarterly monitoring and mid term review, quarterly through performance contracts, reviewing and comparison, semi-annual reviews by a select committee and also through check lists.

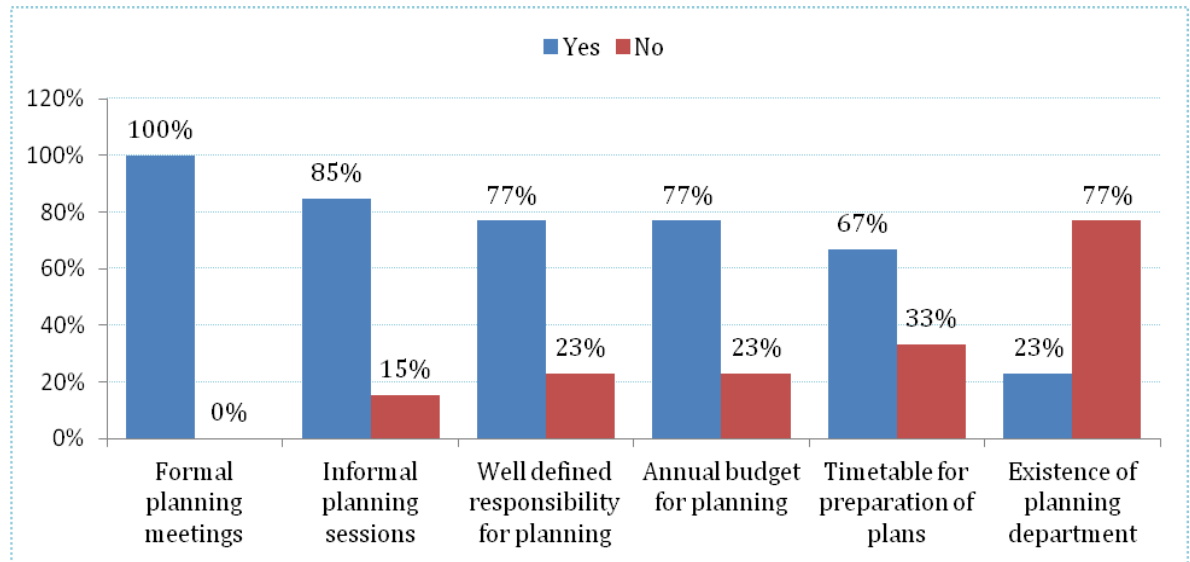
The researcher was interested in determining challenges experienced from within and outside the organization in the implementation of these strategies and the WSPs described some of the challenges to include lack of financial resources, inadequate top management commitments, organizational group dynamics, resistance to change, technological and economic changes in operating environment, rising cost of doing business, socio-political influences in the structures of organizations, high unaccounted for water, social and political interference, lack of cooperation from customers, lack of effective planning mechanism, geographical coverage, adherence to implementation timeframe and inaccurate data. After analysing the data it was evident that the water service providers are facing numerous challenges from within and outside the organization.

Table 10: Important issue with regard to strategic plan implementation

Important Issue	Mean
Organizational Structure	3.69
Organizational Leadership	3.85
Organization Culture	3.69
Organizational Processes	3.75
Organizational Relationships	3.62
Organizational Resources	3.69
Organizational Policies	3.85

The respondent indicated the issues with regard to Organizational Structure, Leadership, Culture, Processes, Relationships, Resources and policies are very important to the implementation of the strategic plans by the WSPs.

Figure 5: Strategic planning processes



With regards to the strategic planning processes adopted by the water service providers, it was found that majority of the WSPs has formal planning meetings, informal planning sessions, well defined responsibility for planning and had an annual budget for planning and timetable for preparation of plans. It is important to note that 77% of the respondents indicated there did not have planning departments.

4.4 Factors affecting strategy implementation:

From the findings the response from the respondents was 100% which was excellent and majority of respondents have been involved in the implementation of the strategic plans for more that 3 years. The respondents comprised of the senior management of the water service providers 4 with 46% of the respondents comprising managing directors. It was also found that majority of the respondents have been operating in the current positions for over 3 years.

The objective of the study was to determine the challenges faced by water service providers in strategy implementation. To respond to this, in-depth interviews were done with the senior management team of the water service providers. The core business of the water service providers is to provide water and sewerage services to the areas earmarked for them to operate. Most of this water service provider are owned by the local authorities and registered under the companies act. Upon implementation of the Water Act 2002 the companies were required to be self sustaining and also adhere to the regulations set out in the service provision agreements signed with the water service boards and approved by the water services regulatory board.

In addition, changes in government policies on water and the various public sector reform measures as well as technological dynamics have posed serious challenges, but also have brought with them new opportunities for the companies. In the wider public sector, relevant reforms undertaken include the introduction of performance contracting, embracing the results-based management (RBM) and the enactment of the Constitution of Kenya 2010 which bestow the right to water to all citizens. Consequently, the water companies have undertaken a number of necessary policy, technological, institutional and operational shifts for competitive and sustainable growth. These shifts demand organizational changes that have been confronted by systemic and behaviour resistances.

The in-depth interviews revealed that the key challenges facing the water service providers emanate from the operating environmental changes that present a threat to effective implementation of the strategy. All the respondents indicated that products and service demands by customers, staff capacities and availability of financial resources are key issues in the operating environment for the water service providers. This is further compounded by pressure arising from stakeholders, as the government and regulators namely the Athi water services board and Water services regulatory board to comply with the license conditions.

The water service providers have indicated that they all are implementing their strategic plans and 85% of them are also monitoring the implementation of the strategic plans. The water service providers had all been operating and gazetted for over three years with the exception of one water service provider.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter a summary of the findings of the study are provided, discussed and conclusions drawn. The researcher has made Policy Recommendation and discussed on some limitation of the Study and suggested areas for further study.

5.2 Summary and Findings

The findings indicate that all the Water service providers that were studied have prepared and are implementing the strategic plans. The findings also indicate that 85% of the WSPs are monitoring implementation of their strategic plans.

From the data analysed its evident that development of adequate physical infrastructure for water and sewerage services delivery and financing of expansion of service coverage by the government is a key requirement for the water service providers to achieve satisfaction in the implementation of the strategic plans. The WSPs also indicated that the organizational structure, organizational leadership, organization culture, organizational processes, organizational relationships, organizational resources and organizational policies are some of the key issues that the water service providers hold important in implementation of their strategic plans.

It was also found that most of the WSPs had not fully filled their human resource establishments and this contributed to a challenge in the WSP fulfilling the mandates as outlined in their strategic plans. The biggest influences to the strategic plan implementations were mainly products and service demands by customers, availability of financial resources, the availability of adequate human resource capacities, guidance from the regulators in this case water services regulator (WASREB). The issues of need for regional balance in your area of jurisdiction, guidance from the Ministry of Water and political considerations had minimal influence on implementation of the strategies by the Water service providers.

The water service providers are facing challenges in the implementation of their strategic plans. these challenges include lack of financial resources, inadequate top management commitments, organizational group dynamics, resistance to change, technological and economic changes in operating environment, rising cost of doing business mainly the cost of inputs such as electricity, fuel and chemicals, socio-political influences in the structures of organizations, high unaccounted for water, social and political interference, lack of cooperation from customers, lack of effective planning mechanism, geographical coverage, adherence to implementation timeframe and inaccurate data.

5.3 Conclusion

The study sought to determine the challenges faced by Water service providers licensed by Athi Water service board in Kenya in strategy implementation. The findings were that challenges faced are usually from sources external and internal to the organization. The challenges, ranging from the external sources to the organizations, were adversely identified by the respondents over and above those from the internal sources to the organization. The major challenges identified were those from sources in the operating environmental changes such as lack of financial resources, inadequate top management commitments, organizational group dynamics, resistance to change, technological and economic changes in operating environment, rising cost of doing business, socio-political influences in the structures of organizations, high unaccounted for water, social and political interference, lack of cooperation from customers lack of effective planning mechanism, geographical coverage, adherence to implementation timeframe. The stakeholders in the operating environment, such as customers, creditors, government and others seemed to present particular challenges that may have affected the organizations' service delivery mechanisms.

The challenges faced in strategy implementation at the WSPs also emanated from sources internal to the organization due to behaviour resistance to change from the traditional deep-rooted public sector culture to a dynamic culture responsive to the market. There were inappropriate Systems; specifically the structure, culture,

leadership, systems used in the organization that did not have a strategic fit with the strategy. The inadequate human, physical and financial resources were also a key challenge in implementation.

5.4 Policy Recommendation

The study findings gave empirical evidence that have implications for policy and practice. In view of the above findings, the researcher made the following four recommendations.

There is a need for water service providers to embrace a business oriented approach in implementation of the strategy. It's evident that there is over-reliance on government support for the WSPs operation and infrastructure development.

The water service providers having a documented strategic plan whose formulation followed a scientific approach. However, its operationalization fails to document all the tools necessary for successful strategy implementation such as Annual Operational plans, functional or parts strategies and policies. It's therefore recommended that training and capacity building of the water service providers on monitoring of the implementation of their strategies should be undertaken.

The ownership status and responsibilities of the WSPs with regard needs to be looked to enable the water service providers to be self sustaining and also enable them to operate effectively. This will facilitate the WSPs to raise funds through the various means such as commercial financing to finance the infrastructure.

The management should also check and control political influence by putting in place policies on recruitment and succession process. The management should also fill the vacant positions to ensure that the required staff establishment is achieved. Training of the staff to enhance their capacities should be undertaken continuously.

5.5 Limitation of the Study

The descriptive analysis applied on this data is subject to one limitation which relate primarily to the low sample base used for analysis. Technically speaking, whereas this

limitation may have constrained analysis it's not likely to be a source of less credible information due to relatively high levels of homogeneity within the sample.

5.6 Suggestions for further study

This study aimed at finding out the challenges faced by the water service providers licensed by Athi Water Services Board to operate in its area of jurisdiction in strategy implementation, the researcher recommends that more studies be undertaken to cover the all water service providers in the areas covered by other water service boards.

Studies should also be undertaken to ascertain the in-depth remedy to the challenges faced by the water service providers in implementing their strategies.

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Appendices

Appendix 1: MBA RESEARCH PROJECT QUESTIONNAIRE

SUBJECT OF STUDY: CHALLENGES IN STRATEGY IMPLEMENTATION: A CASE FOR WATER SERVICE PROVIDERS LICENSED BY ATHI WATER SERVICES BOARD

Organization:

Name of Respondent _____ Date _____

SECTION A: Profile of Respondent

1. How many years have you been with the WSP? (Please tick one).
 - i. Less than 1 year []
 - ii. 1 year and above, but less than 3 years []
 - iii. 3 years and over []
2. What is your current position in the WSP? (Please tick one).
 - i. CEO []
 - ii. Senior Manager []
 - iii. Manager []
 - iv. Other []
3. How many years have you been in the present position? (Please tick one).
 - i. Less than 1 year []
 - ii. 1 year and above, but less than 3 years []
 - iii. 3 years and over []

Section B: Profile of the Water Service Provider

1. When was the WSP gazetted? (Please tick one)
 - i. Less than 1 year []

- ii. 1 year and above, but less than 3 years []
- iii. 3 years and over []
2. How many non executive directors (i. e. excluding the MD) does the Company have? (Please tick one)
- 7 [] 9 [] 11 []
- Others (please specify) _____
3. How many non executive directors (i. e. excluding the CEO) represent various government ministries in board of directors? (Please tick one)
- 7 [] 9 [] 11 []
- Others (please specify) _____
4. How many members of the senior management, excluding the CEO and Board Secretary are full time members of the board of directors? (Please tick one)
- 1 [] 3 [] 5 []
- Others (please specify) _____
5. What kind of organization structure does the organization have? (Please tick one)
- Divisional [] Functional []
6. What percentage of the established positions is currently filled? (Please tick one)
- Less than 50% []
- 50% and above, but less than 80% []
- 80% and above []
7. What is the total population covered by the WSP? (Please tick one)
- Under 1 million []
- 1 million and above but less than 3 million []

- 3 million and above but less than 5 million []
- 5 million and above []
- Unknown []

8. What is the current water service coverage in the WSP area of jurisdiction? (Please tick one)

- Under 10% []
- 10% and above but less than 30% []
- 30% and above but less than 50% []
- 50% and above but less than 70% []
- 70% and above but less than 90% []
- 90% and above []
- Unknown []

9. What is the current sewerage service coverage in the WSP area of jurisdiction? (Please tick one)

- Under 10% []
- 10% and above but less than 30% []
- 30% and above but less than 50% []
- 50% and above but less than 70% []
- 70% and above but less than 90% []
- 90% and above []
- Unknown []

10. How many other Water Service Providers are licensed by the Board to operate within the WSPs Boundary? (Please insert number)

Category	Description	Number
Category I	Urban (Limited Liability Companies/Trusts)	
Category II	Water User Associations/Community Based Organizations	
Category III	Private (NGOs and Private Organizations)	

	Total	
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11. What is the average percentage of the annual financial income does the WSP receive from all sources compared to the annual total budget over the last three years? (Please tick one)

- Under 10% []
- 10% and above but less than 30% []
- 30% and above but less than 50% []
- 50% and above but less than 70% []
- 70% and above but less than 90% []
- 90% and above []
- Unknown []

12. For how long has the organization been involved in water supply and sewerage services? (Please tick one)

- i. Less than 1 year []
- ii. 1 year and above, but less than 3 years []
- iii. 3 years and over []]

Section C: Strategic Plans

1. Does the organization develop any strategic plans? (Please tick one)

- Yes [] No []

If no, why? _____

If Yes,

a. How long ago were these plans first developed in the company? (Please tick one)

- i. Less than 1 year []
- ii. 1 year and above, but less than 3 years []
- iii. 3 years and over []

b. What is the duration covered by the current strategic plan? (Please tick one)

- i. 3 years []
- ii. 5 years []
- iii. Others (please specify)_____ years

c. Have these strategies in the organization changed over time? (Please tick one)

Yes [] No []

d. Does the WSP intend to maintain the current strategies? (Please tick one)

Yes [] No []

If no, why would you wish to change these strategies? _____

e. Who develops these strategies? (Please tick one)

- i. Members of the Board of Directors []
- ii. Chief Executive officer only []
- iii. A select committee of senior management team with an internal facilitator []
- iv. A select committee of senior managers with an external facilitator []
- iv. External consultants []
- v. Others (Please specify)_____

f. Do the following features characterize the planning process in the organization?

(Please tick one for each item in roman numerals)

- i. Formal planning meetings Yes [] No []
- iii. Timetable for preparation of strategic plans Yes [] No []
- iv. Well defined responsibility for planning Yes [] No []
- v. Alternative arrangements made for carrying out of the duties for those involved in planning? Yes [] No []
- vi. Adequate resources set aside for planning? Yes [] No []
- vii. All decision makers in the management involved in planning?
Yes [] No []

a. Who approves the final strategic plans before they are implemented? (Please tick one)

- i. Members of the Board of Directors []
- ii. Chief Executive Officer []
- iii. Senior managers together with the CEO []
- iv. Senior manager excluding the CEO []
- v. Others (Please specify) _____

f. During the development of strategic plans, please indicate the level of importance of the following in the process (Please tick one box in each row as appropriate)

	1 – Not important	2 – Moderately important	3 – Important	4 – Very important	5 – Extremely important
Formulating the organization's mission, including broad statements about purpose, philosophy and goals					
Developing the organization profile that reflects its internal conditions and capabilities					
Assessing the organization's general external environment, including the general contextual factors.					
Assessing the organization's industry environment, including competitive factors.					
SWOT Analysis					
Analyzing the organization's options by matching its					

resources with the external environment					
Identification of the most desirable options through evaluation of each option in light of the organization's mission.					
	1 – Not important	2 – Moderately important	3 – Important	4 – Very important	
Selection of long-term objectives and grand strategies					
Developing annual objectives and short-term strategies					
Developing short-term action plans					
Budgeting resources allocations in which the matching of tasks, people, structures, technologies, and rewards systems is emphasized.					
Evaluation of the success of the strategic process as an input for future decision making.					
Others (please specify)					

g. Are these strategies in a formally written form? (Please tick one)

Yes [] No []

h. What would you say are the problems experienced in the development of these strategies?
(Kindly rank them in order of importance)

i.

ii.

iii.

iv.

v.

vi

2. What is the influence of the following to the strategies being formulated? (Please tick as appropriate on each row)

	1 – No influence	2 – Small Influence	3 – Moderate Influence	4 - Strong Influence	5 - Very strong influence
Products and service demands by customers					
Internal staff capacities					
Financial resources available					
Political considerations					
Guidance from WASREB					
Guidance from the Ministry of Water					
Need for regional balance in your area of jurisdiction.					

3. Does your organization analyze the water sector reports? (Please tick one)

Yes[] No []

4. What in your opinion are the key success factors in the water and sewerage services sector? (Please tick as appropriate on each row)

	1 – Strongly disagree	2 – Disagree	3 - Neutral	4 - Agree	5 – Strongly agree
Availability of adequate water sources					
Development of adequate physical infrastructure for water and sewerage services delivery					
Operation and maintenance of physical infrastructure for service delivery					
Enhanced regulation of Water Service Providers/ Water utilities					
Management style of the top managers of the WSB					
Continued financing of expansion of service coverage by the government					
Commercialization of Water Service Boards with the government meeting the cost of service to the poor					

Commercialization of Water Service providers/ Water utilities					
Others (please specify)					

5. Does the WSP Monitor the Implementation of the strategic plan? (Please tick one)

Yes[] No []

6. If yes, how is strategy implementation monitored? _____

7. What would you say are the challenges experienced from within and outside the organization in the implementation of these strategies ? (Kindly rank them in order of importance)

i.

ii.

iii.

iv..

v.

vi

Section D: Operational Plans

1. Does the organization develop operational plans? (Please tick one)

Yes [] No []

If no, why? _____

If Yes,

a. How long ago were these plans first developed in the company? (Please tick one)

- i. Less than 1 year []
- ii. 1 year and above, but less than 3 years []
- iii. 3 years and over []

b. How frequently are the plans reviewed? (Please tick one)

- i. Every month []
- ii. Every Quarter []
- iii. Semi-Annually []
- iv. Annually []
- v. Others (Please specify) []

c. Who are the key participants in the development of these operational plans?
(Please tick one)

- i. Members of the Board of Directors []
- ii. Chief Executive Officer []
- iii. Senior managers together with the CEO []
- iv. Senior manager excluding the CEO []
- v. Others (Please specify) All staff and their supervisors

d. Do the following features characterize the planning process in the WSB?
(Please tick one for each item in roman numerals)

- | | | | | | | |
|--|-----|---|---|----|---|---|
| i. Formal planning meetings | Yes | [|] | No | [|] |
| ii. Informal planning sessions | Yes | [|] | No | [|] |
| iii. Timetable for preparation of plans | Yes | [|] | No | [|] |
| iv. Well defined responsibility for planning | Yes | [|] | No | [|] |
| v. Existence of planning department | Yes | [|] | No | [|] |
| vi. Annual budget for planning | Yes | [|] | No | [|] |

Your Response is highly appreciated, may God bless you.