

**FACTORS AFFECTING STRATEGY IMPLEMENTATION  
AMONG WATER SERVICE PROVIDERS LICENSED BY  
LAKE VICTORIA NORTH WATER SERVICES BOARD IN  
KENYA**

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## **DECLARATION**

This Project is my original work and has not been submitted for examination in any other University.

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## **DEDICATION**

This project paper is dedicated to my dear wife, Lucy, and daughter, Larah, whose love and sacrifice I will always cherish.

## ABSTRACT

Organizations are usually set up with the intention of excelling in whatever they are formed for. However, it is not always that such objectives are achieved due to dynamisms that characterize the operating environment. Organizations thus tend to come up with strategies to respond to identified opportunities and challenges in the operating environment. To succeed, the strategies need to be effectively implemented. Strategy implementation is concerned with the design and management of systems to achieve the best integration of people, structures, processes, and resources, in reaching organizational purposes. It consists of securing resources, organizing them and directing their use within and outside the organization. This study focuses on the factors affecting strategy implementation among Water Service Providers licensed by Lake Victoria North Water Services Board in Kenya. The objectives of the study were to determine the factors that affect strategy implementation among WSPs licensed by LVNWSB and establish intervention measures put in place by the WSPs to deal with strategy implementation challenges. The study used census survey in collecting data from the five WSPs licensed by LVNWSB. Respondents in the survey were drawn from various management levels at the WSPs. The data obtained was analyzed in accordance with the research objectives. From the findings, it was observed that all the WSPs have strategic plans in place. The study found out that different approaches were used by the WSPs in developing their strategic plans with many of them indicating they used a select committee of senior management with an external facilitator. Other approaches used in developing strategic plans at the WSPs included board of directors and management team with an external facilitator, board of directors and management team with no external facilitator, and a select committee of senior management with an internal facilitator. Implementation of the strategic plans was indicated to be to a moderate extent for most of the WSPs with water and sewerage service coverage levels being at less than 100%. The companies considered various factors to affect their implementation of the developed strategies. Among the factors rated high in affecting implementation are strategy formulation process, planning and coordination of activities, communication, leadership, and resource allocation. Other factors that also had relatively high ratings are timing of activities, time allocated to activities, economic factors, organizational culture, staff competency, organization structure, adequacy of human resources, and clarity of roles. Challenges to strategy implementation were noted to be the side effects of the items highlighted as critical factors when implementing strategy. To address the challenges of strategy implementation, the WSPs indicated they were putting various measures in place, including enhancing awareness creation on strategies within the companies as a way of making employees feel personal responsibility in fulfilling the strategy, strengthening inter-departmental collaboration, creating budget for implementation of the strategies, and allocating performance targets to all parties involved in implementation. Emanating from the findings, the researcher recommends that in addressing these challenges, the WSPs and other organizations analyze all the strategy implementation factors holistically since the factors and challenges have a cause- effect reaction on one another.

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## **ABBREVIATIONS AND ACRONYMS**

<b>AWASCO:</b>	Amatsi Water Services Company
<b>ELDOWAS:</b>	Eldoret Water and Sewerage Company
<b>KANAWASCO:</b>	Kapsabet Nandi Water and Sanitation Company
<b>KBWS:</b>	Kakamega-Busia Water Supply Company
<b>LVNWSB:</b>	Lake Victoria North Water Services Board
<b>MDGs:</b>	Millennium Development Goals
<b>SPA:</b>	Service Provision Agreement
<b>UNICEF:</b>	United Nations Children's Fund
<b>WASREB:</b>	Water Services Regulatory Board
<b>WSP:</b>	Water Service Provider

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Organizations are usually set up with the intention of excelling in whatever they are formed for. However, it is not always that such objectives are achieved due to dynamisms that characterize the operating environment. According to Pearce and Robinson (2004), all organizations have to interact with an environment that is constantly changing and therefore need to establish a match between themselves and the environment. Ansoff (1987) suggests that for a firm to optimize its competitiveness and profitability, it has to match its strategy and supporting capability with the environment. Organizations thus tend to come up with strategies to respond to identified opportunities and challenges in the operating environment.

Strategies enable an organization to concentrate on the most important aspects of its business and to determine the most efficient way of utilizing its resources within competing budgetary requirements while building competitive advantage in the market. According to Aosa (1992), strategic management helps in providing long-term direction for an organization through which it performs current activities while at the same time view them in terms of their long term implications for the probable success of the organization.

To succeed, the strategies need to be carefully implemented. The focus of this research project was on strategy implementation. In many cases, strategies are crafted but the strategies often fail due to problems encountered at the implementation stage (Al-Kandi,

Asutay, & Dixon, 2013). Njau (2000), points out that implementation of a chosen strategy is by any measure the most vital phases in strategic management since it is the phase where action is taken. It is therefore critical for an organization to identify factors that are likely to derail strategy implementation. By identifying the factors that influence the process and outcomes of the strategy implementation stage, an organization will be better prepared for its future performance.

Lake Victoria North Water Services Board is one of the eight Water Services Boards established under the Water Act 2002 section 51(2), as part of the reforms in the water sector. The Board has contracted five water service providers, namely, Kakamega-Busia Water Supply Company, Eldoret Water and Sewerage Company, Nzoia Water and Sewerage Company, Amatsi Water and Sanitation Company and Kapsabet-Nandi Water and Sanitation Company. The water service providers were the context of this study.

### **1.1.1 Concept of Strategy**

Historically, the term strategy stems from the Greek word *strategia*, which is Greek for generalship. It originated from the military where it often refers to maneuvering troops into position before the enemy is actually engaged. Hart (1967) defines military strategy as the art of distributing and applying military means to fulfill the ends of policy. Without the word "military" in Hart's definition, it becomes easy to export the concept of strategy to business world. Steiner (1979) notes that strategy entered the management literature as a way of referring to what one did to counter a competitor's actual or predicted moves and that there is very little agreement as to the meaning of strategy in the business world with various definitions being put forward. Mintzberg (1987) has created a "five-P-

model” for the definition of strategy, namely, plan; ploy; pattern; position; and perspective. As a plan, Mintzberg views strategy as some sort of consciously intended course of action, a guideline or set of guidelines to deal with a situation. As a ploy, strategy is viewed as a specific maneuver intended to outwit an opponent or competitor.

The pattern view looks at strategy as a pattern of emerging actions and behaviour. According to the pattern-view, strategy is not a preconceived plan, but a consistency in behavior, whether intended or not. This view may be hard to accept, but it reflects the reality of many organizations (Mintzberg, 1987). Strategy can also be viewed as a position for the company in its environment where it has to create a fit for itself in relation to its competitors, external stakeholders and so on. Strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors (Porter, 2006). As a perspective, strategy reflects the organization culture, the ingrained way of perceiving the world by the internal stakeholders.

The strategy process entails formulation, implementation and evaluation. The formulation stage deals with the process of establishing the organization's vision, mission, objectives, and choosing among alternative strategies. The strategy implementation stage deals with making of decisions of installing new strategy or enforcing new strategy by establishing annual objectives, devising policies, motivating employees, and allocating resources to enable execution of formulated strategies. Strategy implementation also includes making of decisions relating to matching strategy and organizational structure, budgeting for the various activities, and putting in place motivational systems. Strategy implementation

activities have effect on all employees and managers in an organization, thus, it is critical for all divisions and departments to decide on what they must do to implement their part of the organization's strategy and how best to get the job done. Strategy evaluation and control which is the final stage in strategic management process involves determining whether the chosen strategy is achieving the organization's objectives by reviewing internal and external factors which are the bases for current strategies, measuring performance, and taking corrective actions.

### **1.1.2 Strategy Implementation**

Strategy implementation is the process through which strategy is translated into functional and operational targets (Pearce & Robinson, 2004). It is the stage at which organizations move from planning their work into working their plan as they shift focus from strategy formulation (Pearce & Robinson, 2004) or that phase in strategic management process when actions are taken to actualize approved plans (Yabs, 2010). According to Johnson and Scholes (2002) strategy implementation is concerned with translation of strategy into action. Kotter and Best (1996) indicate that implementation addresses who, where, when and how, and that it is the tactic that drives the strategy of the organization. Strategy implementation is often considered to be the most difficult stage in strategic management process. Its success depends both on the selection of an appropriate strategy and converting that strategy into action.

According to Hussey (2000), strategy implementation follows a five step process namely, envision, activate, install, ensure, and recognize. If one of the aspects is deficient, the strategy may either fail or be less effective than it should be. Hussey (2000) further argues that there are soft and hard elements which need to fit together if the strategy is to be implemented. The soft elements comprise the behavioral dimensions while the hard elements comprise the analytical dimensions to the process of making and the subsequent implementation of strategy. He asserts that the issue then becomes one of creating a strategic fit between the soft and hard elements and organizational variables. According to Li, Guohui, and Eppler (2008), factors that affect strategy implementation can be categorized into two groups: those that influence individually and those that interrelate and form a strategic implementation environment. The individual factors include: the strategy formulation process, the strategy executors (managers, employees), the organizational structure, the communication activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy levels, the employed implementation tactics, and the administrative system in place.

Pearce and Robinson (2004) make the argument that to be successful, the strategic plan must have the support of every member of the firm. Wells (n.d.) identifies various actions that are key to successful implementation of developed strategies. The actions include assigning roles and responsibilities, defining an implementation infrastructure, linking goal groups, phasing integration of implementation actions with workload, involving everyone within the organization, and allocating resources for implementation. Other keys to successful implementation include managing the change process, evaluating

results, sharing lessons learned, and acknowledging successes through open and frequent communication. Not taking the specified actions is likely to result into implementation failure.

### **1.1.3 Water Services Boards in Kenya**

Water Services Boards (WSBs) are constituted under the Water Act (2002), as part of the reforms in the water sector. As provided for in the Act, the WSBs are responsible for the provision of water and sewerage services within their areas of coverage and are licensed by the Water Services Regulatory Board. The WSBs are also responsible for contracting Water Services Providers (WSPs) for the provision of water services by entering into service provision agreements that include but not limited to the supply area, development, rehabilitation and maintenance of water and sewerage facilities of the WSBs. The WSBs are also responsible for the review of the water services tariff proposals from WSP before submission to WASREB for consideration.

There are currently eight established WSBs namely, Athi Water Services Board, Tana Water Services Board, Coast Water Services Board, Lake Victoria South Water Services Board, Lake Victoria North Water Services Board, Northern Water Services Board, Rift Valley Water Services Board and Tanathi Water Services Board. Lake Victoria North Water Services Board (LVNWSB) has the mandate of ensuring efficient and economical provision of water and sewerage services within eight (8) counties of Bungoma, Busia, Kakamega, Vihiga, Uasin Gishu, Trans Nzoia, and parts of Nandi and Elgeyo Marakwet counties (LVNWSB Strategic Plan, 2012-17). The Board contracts, monitors and enforces agreements with Water Service Providers (WSPs), in accordance with regulations set by WASREB.

#### **1.1.4 Water Service Providers Licensed by LVNWSB**

LVNWSB has contracted five water service providers (WSPs), namely, Kakamega-Busia Water Supply Company, Eldoret Water and Sanitation Company, Nzoia Water and Sanitation Company, Amatsi Water Services Company and Kapsabet-Nandi Water Services Company. Kakamega-Busia Water Supply Company (KBWS) was incorporated in 2006 under the Companies Act Cap 486 to supply water and sanitation services in Busia, Mumias, Nambale, Shitoli, Shinyalu, Muranda, Butere, Matayos Tindinyo and Kakamega (KBWS Strategic Plan, 2012-2017). The company's customers are drawn predominantly from the urban population.

Eldoret Water and Sewerage Company (ELDOWAS) is a corporate entity established under Cap 486 of the laws of Kenya. LVNWSB has engaged ELDOWAS to be a water service provider in Eldoret and its environs through service provision agreement (SPA) as required by the water act 2002. Nzoia Water and Sanitation Company is a registered as a Water Services Provider (WSP) under LVNWSB to provide water services in Webuye, Bungoma, Kimilili, and Kitale. Amatsi Water Services Company (AWASCO) is a private company incorporated in accordance with the provisions of the Companies Act Cap 486 laws of Kenya. The Company serves Luanda, Majengo, Chavakali, Kaimosi, Maseno University and Mbale. The mandate of AWASCO is to provide effective, efficient, adequate and safe water to its customers; and to collect, treat and dispose sewage in a safe and environmentally friendly manner. Kapsabet Nandi Water and Sanitation Company (KANAWASCO) is a registered company under LVNWSB. The company serves Kapsabet town and its environs.

## **1.2 Research Problem**

Many organizations are able to generate innovative strategic plans, but few are able to successfully implement the plans. According to Miller (2002), organizations fail to implement up to 70% of their strategic initiatives. Such organizations find the link between strategy and implementation to be complex and are thus not able to transition from idea to reality. To be able to execute their mandate effectively, the players in Kenya's water sector have adopted strategic management but, just like other organizations, are faced with strategy implementation challenges.

The Constitution of Kenya (2010) under Article 43(1) stipulates that every person has the right to reasonable standards of sanitation and to clean and safe water in adequate quantities. However, the Kenya Vision 2030 (2007) identifies Kenya as a water scarce country since it has limited renewable water supply. The county's vision 2030 for water and sanitation is to ensure that improved water and sanitation are available and accessible to all. Under the Water Act (2002), the institutions which are expected to directly provide water services to consumers are the Water Service Providers (WSPs) which are regulated through a water service provision agreement issued by the Water Service Boards. While there has been an improvement in provision of piped water in Kenya, most urban, peri-urban and rural poor groups have little or no access to clean water. According to the World Health Organization and UNICEF (2012), access to safe water supplies throughout Kenya is 59%. Thus, there is still an unmet demand in rural and urban areas for water services. In executing their mandate, water service providers are faced with numerous challenges, which include environmental quality of life in their communities, increasing capital construction needs, 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 (Kimotho, 2012).

Various studies have been undertaken to determine factors affecting strategy implementation as well as challenges faced by organizations in the water sector. In many countries, policies and laws that favour community management of water supplies are never translated into workable rules and regulations at decentralized levels or they are not supported by funding and capacity building (Fonsecca & Bolt, 2002). Bandaragoda (2006) asserts that implementation of institutional reforms in the water sector is affected by social, economic and political factors. Barreiro (2003) indicates that there is need for sound basic principles and structural framework relating to appropriation, control, conservation and protection of water resources for strategies adopted to be effective.

In Kenya's water sector, Kwamboka (2010) analyzed the challenges facing strategic management plan in Nairobi City Water and Sewerage Company. Onyari (2010) on his part undertook a study on the challenges of strategy implementation at Lake Victoria South Water Services Board. Notably, Kimotho (2012) looked at the challenges faced by water service providers licensed by Athi Water Services Board to operate in its area of jurisdiction in strategy implementation and recommended that more studies be undertaken to cover all water service providers in the country. It is noted that not many studies have focused on the WSPs with regards to strategic implementation even though they have the direct role in water and sanitation services provision. This led to the following research question: What factors affect strategy implementation among WSPs licensed by Lake Victoria North Water Services Board?

### **1.3 Research Objectives**

The objectives of this study were to:

- i. Determine the factors that affect strategy implementation among WSPs licensed by LVNWSB.

- ii. Establish intervention measures put in place by the WSPs licensed by LVNWSB to deal with strategy implementation challenges.

#### **1.4 Value of the Study**

Findings from this study were expected to be of value to a number of stakeholders in and outside the water sector. First, the study's findings would be of importance to the managers of water and sanitation companies in determining the factors that are likely to affect implementation of strategies they craft. Such managers would also be able to identify possible ways of mitigating the identified impediments to strategy execution.

Second, the county and national governments, and related water agencies such as the Ministry of Water and Irrigation, water service boards, Water Services Regulatory Board who are responsible for management of water services provision would find the outcome of the study a key input when formulating policies as well as in performance monitoring and evaluation for the sector. The donor agencies and development partners who have heavily invested in the water sector also stood to benefit from the study as it provide them with insights on factors likely to impede their investments in realizing intended goals.

The study also significantly contributes to the pool of existing knowledge regarding strategy implementation and factors influencing the same, specifically in the water sector. This would be useful to scholars and other research students for reference purposes and identifying areas of further research, either in the water sector or in other sectors.

## **1.5 Summary of the Chapter**

From the chapter, it is noted that it is not always that organizations excel in whatever they are set up for due to dynamics that characterize their operating environment. Thus, organizations tend to come up with strategies to respond to identified opportunities and challenges in their operating environment but implementation of such strategies is usually affected by various factors. This study sought to establish the factors affecting strategy implementation among Water Service Providers licensed by Lake Victoria North Water Services Board in Kenya and establish intervention measures put in place by the WSPs to deal with strategy implementation challenges.

Findings of the study were expected to be of value to various parties both within and without the water sector. The anticipated beneficiaries include managers of water and sanitation companies, county and national governments, water agencies, donor agencies and development partners, and scholars and other research students.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents reviewed literature related to this study. The areas covered include theoretical foundation of the study, factors affecting strategy implementation, critical issues of strategy implementation at the water service providers, challenges to strategy implementation, and empirical studies and research gaps.

#### **2.2 Theoretical Foundation**

Theory is a set of interrelated concepts and propositions that specify relations among variables used to predict phenomena (Kothari, 2004). The proposed study uses the Stakeholder's theory and Contingency theory as the foundation for the study to establish factors that affect strategy implementation among WSPs licensed by LVNWSB.

##### **2.2.1 Resource-Based View Theory**

The resource-based view suggests that competitiveness can be achieved by innovatively delivering superior value to customers. According to the Resource Based Theory, resources are inputs into a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. Differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Currie, 2009).

The existing literature focuses on the strategic identification and use of resources by a firm for developing a sustained competitive advantage (Borg & Gall, 2009). The firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitor and when these other firms are unable to duplicate the benefits of this strategy (Barney,1991).

### **2.2.2 Dynamic Capabilities Theory**

Dynamic capability is the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece, Pisano, & Shuen, 1997). It is the capability of an organization to adapt adequately to changes that can have an impact on its functioning. The basic assumption of the dynamic capabilities framework is that core competencies should be used to modify short-term competitive positions that can be used to build longer-term competitive advantage. This capability is dynamic because the firm must continually build, adapt, and reconfigure internal and external competences to achieve congruence with the changing business environment when time-to-market and product timing are critical, the rate of technological change is rapid, and the nature of future competition and markets are difficult to determine (Teece et al., 1997).

Dynamic capabilities are imitable, can be developed through multiple learning paths, and have commonalities across firms and industries. Their development reflects management's ability to demonstrate timely responsiveness and rapid innovation, and to effectively coordinate and redeploy internal and external resources or competencies based on managerial and organizational processes, market positions, and path dependencies (Leonard-Barton, 1992). Dynamic capabilities create resource configurations that

generate value-creating strategies. Their advantage lies in applying them sooner, more judiciously, or more fortuitously than rivals (Eisenhardt & Martin, 2000).

### **2.2.3 Stakeholder Theory**

A firm is considered to be a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm's activities (Clarkson, 1994). The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services. According to Rauschmayer and Wittmer (2006), engaging representative stakeholders is utilized to enrich the knowledge that supports the decision making process through local expertise; to enhance decisions legitimacy and to build institutional capacity. Dietz and Stern (2008), further argue that stakeholder involvement provides a mechanism for obtaining the consent of the governed in more specific ways than are possible with elections and also have the side effect of reducing litigation and adversarial confrontations. The goal of directors and management should be maximizing total wealth creation by the firm through enhancing the voice of and providing ownership-like incentives to those participants in the firm who contribute or control critical inputs. Directors and management also need to align the interests of these critical stakeholders with the interests of outside, passive shareholders.

Stakeholder theory is significant in strategy implementation considering the voice of the stakeholders is vital to ensure successful strategy planning and implementation. Participants in the strategy implementation process should communicate and a reward be issued to the stakeholders who deliver on their objectives. However, when integrated in a formal decision making process, stakeholders' participation may become a bureaucratic procedure and, as such, is exposed to a number of drawbacks (Newing & Frish, 2009).

Participation processes can be manipulated by the organizations that promote them. They can ignore the results of the process or guide the selection process to reach a predetermined outcome. Participatory processes can also be initiated simply to meet administrative requirements, to symbolically appease interested citizens and groups, and to deter litigation (Dietz & Stern, 2008).

### **2.3 Factors Affecting Strategy Implementation**

Strategy implementation can be defined as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees, affected by a number of interrelated internal and external factors, to turn strategic plans into reality in order to achieve strategic objectives (Li et al., 2008). It is an iterative process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment (Harrington, 2006). Normally, implementation programmes vary according to the nature of strategic problems which the organization faces. According Lynch (2010), the two essential causes of variation in implementation programmes are the degree of uncertainty in predicting changes in environment and the size of the strategic change required.

Hrebiniak, (2006) argues that, although formulating a consistent strategy is a difficult task for any management team, making that strategy work is even more difficult because there exists a myriad of factors that can potentially affect the process by which strategic plans are turned into actions. Several researchers and scholars have put forward frameworks in a bid to explicate the factors that influence strategy implementation. One such framework is the Mckensey's Seven Ss Model. The Mckensey's Seven Ss Model of strategy implementation process provides some of the factors considered to influence strategy implementation. The elements of model comprises of structure, strategy,

systems, shared values, skills, style and staff. Waterman, Peters, and Phillips (1980) considers Mckensey 7-Ss framework to be a holistic framework with which to analyze and improve organization effectiveness since it allows an organization to survey its operations, craft its vision, and compare the present with the future and articulate intended changes. The underlying concept of Mckensey's model is that all the seven variables must "fit" with one another in order for strategy to be successfully implemented. However, shared values are the central core of the framework because they are the heart-and soul themes around which an organization rallies (Bhatti, 2011). Higgins (2005) introduces 8-Ss model by deleting skills from the McKinsey framework and adding resources and strategic performance.

Li, et al. (2008) contend that factors that affect strategy implementation can be categorized into two groups: those that influence individually and those that interrelate and form a strategic implementation environment. The individual factors include: the strategy formulation process, the strategy executors (managers, employees), the organizational structure, the communication activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy levels, the employed implementation tactics, and the administrative system in place. Other individual factors that have been identified to influence strategy implementation, though less mentioned or analyzed in depth due to difficulties in controlling or modifying them, include culture, firm size, the external environment or the general market environment, the implementation stages, internal guidelines, the power structure, material resources, a company's market orientation, and rewards or incentives. Motivating and rewarding good performance by individuals and organizational units are key ingredients in effective strategy implementation. However,

the reward system must be clearly linked to strategic performance. The reward mechanism can be compensation, praises or criticism (Pearce & Robinson, 2004).

With regard to factors that interrelate and form a strategic implementation environment, Okumus (2011) (as cited in Li et al., 2008) depicts four sets of factors: content, context, process and outcome. Content component entails strategic decision and multiple project implementation. Context component can either be internal or external. Internal context consists of organizational structure, organizational culture and organizational learning. External context has environmental uncertainty in the general and task environment. Process component consists of operational planning, resources allocation, people, communication, monitoring and feedback, and external partners. Outcome component is composed of both tangible and intangible outcomes of the project.

Factors that have been identified as influencing successful strategy implementation include adequate feedback systems, sufficient resources, good leadership and direction skills, motivation for all involved staff, communication and coordination, an appropriate company structure, and an appropriate company culture. Brenes, Mena, and Molina (2007) on their part point out five key dimensions of successful implementation of business strategy, namely, strategy formulation process, systematic execution, implementation control and follow-up, chief executive officer's leadership and suitability, motivated management and employees, and corporate governance (board and shareholders) leading the change. Similarly, Johnson (2002) indicates that the top five reasons why strategic plans fail are related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. According to Yabs (2010), leadership is a key element of strategy implementation since the work of the chief executive officer is to be a catalyst in strategic management whose

concern is to ensure the right managers are in the right positions for the new strategy with the characteristic needed to ensure effective implementation of strategy.

## **2.4 Challenges Facing Strategy Implementation**

Implementing begins with the analysis of long term plans and breaking them down to small workable annual or short-term plans (Yabs, 2010). However, most organizations find implementing developed strategies tougher and time consuming than crafting the strategy. Holbeche (2009) summarizes the following as the typical issues that have been experienced by many organizations with regard to strategy implementation: implementation took more time than originally allocated; major problems surfaced during implementation; coordination of implementation activities was not effective; competing activities and crises distracted attention from implementing the decision; training and instruction given to lower level employees were not adequate; and uncontrolled factors in the external environment had an adverse impact on implementation.

Sandelands (1994) argues that people underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action with stakeholders realizing that the implementation took more time than originally planned. Stoner and Freeman (1989) argue that barriers to effective strategy implementation may result from changes in a complex environment or stem from internal obstacles. Internal constraints may include resistance to change, financial constraints, inflexibility, executive obsolescence, values, traditions, styles and power. The environmental constraints include scarcity of natural resources, changes in political stability and technology.

According to Eisenstat (1993), most companies attempting to develop new organization capacities stumble over these common organizational hurdles: competence, coordination, and commitment. Eisenstat observes that in organizations where implementation hurdles were faced, coordination of implementation activities was not effective enough, capabilities of employees were insufficient, training and instruction given to lower level employees were inadequate, and leadership and direction provided by departmental manager were inadequate. Similarly, other researchers have identified problems of strategy implementation to include lack of communication, lack of commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors (Giles, 1991; Galpin, 1998; Beer and Eisenstat, 2000).

Raps (2005) outlined the challenges encountered in strategy implementation as commitment of top management, involvement of middle management, and clear assignment of responsibilities. Top management commitment was considered the most important in providing direction for effective implementations of strategic change and provision of a role model for other managers. Freedman (2003) also identifies a number of challenges to strategy implementation which include lack of strategic inertia, lack of stakeholder commitment, failure to understand progress, impatience, and not celebrating success. It has also been noted that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation (Aosa, 1992). Culture is viewed as the collective programming of the human mind that distinguishes the members of one human group from the other. Organizational culture can impede or facilitate change in an organization since it can resist change, respond to change, accept change and initiate change. Peters and Waterman (1982) contend that the culture of an

organization develops over a period of time and is influenced by the values, action and beliefs of individuals at all levels of the organization. Thus, it is necessary to examine the cultural fit with the strategic change implementation (Aosa, 1992).

Wells (n.d.) identifies various actions that are key to successful implementation of developed strategies. The actions include assigning roles and responsibilities, defining an implementation infrastructure, linking goal groups, phasing integration of implementation actions with workload, involving everyone within the organization, and allocating resources for implementation. Other keys to successful implementation include managing the change process, evaluating results, sharing lessons learned, and acknowledging successes through open and frequent communication. Not taking the specified actions is likely to result into implementation failure.

## **2.5 Empirical Studies and Research Gaps**

Fonsecca & Bolt, (2002) in their study on how to support community management of water supplies concluded that in many countries, policies and laws that favour community management of water supplies are never translated into workable rules and regulations at decentralized levels or they are not supported by funding and capacity building. Bandaragoda (2006) in his working paper on international water management noted that implementation of institutional reforms in the water sector is affected by social, economic and political factors. Barreiro (2003) undertook a study on implementation of integrated water management in the Philippines and noted that there is need for sound basic principles and structural framework relating to appropriation, control, conservation and protection of water resources for strategies adopted to be effective.

In Kenya's water sector, Kwamboka (2010) analyzed the challenges facing strategic management plan in Nairobi City Water and Sewerage Company. Onyari (2010) on his part undertook a study on the challenges of strategy implementation at Lake Victoria South Water Services Board. Kimotho (2012) in his study on the challenges faced by water service providers licensed by Athi Water Services Board to operate in its area of jurisdiction in strategy implementation notes that water service providers are faced with numerous challenges, which include environmental quality of life in their communities, increasing capital construction needs, the demands of their customers for improved service, the requirements of local and state regulators and many others.

Mockler (1995), Barney (2001) and Hickson, Miller and Wilson (2003) claim that though remarkable progress has been made in the field of strategic management, the problem of strategy implementation failure still persists, thus it remains important for researchers and practitioners to make this their ongoing concern. From the literature review, it was noted that not many studies on factors affecting strategy implementation have been conducted in the water sector. Specifically, no study on factors affecting strategy implementation among water service providers licensed by LVNWSB had been carried out. Thus, the objective of this study was to bridge the knowledge gap that exists by determining the factors affecting strategy implementation at the WSPs under LVNWSB.

## **2.6 Summary of the Chapter**

From the literature review, the researcher noted that various factors have been identified as affecting strategy implementation by various scholars. The factors include: Strategy formulation process; Planning of operations; Coordination of activities; Timing of activities; Time allocated to activities; Communication; Leadership; Organization structure; Resource allocation; Policies; Politics; Acts of nature; Economic factors;

Organizational culture; Adequacy of human resources; Staff competency; Clarity of roles; and Staff Motivation. It was noted that the factors can influence strategy implementation individually or jointly.

Even though various studies have been conducted in various sectors on the factors affecting strategy implementation, the literature review reveals that not many such studies have been carried out in the water sector. Specifically, no study on factors affecting strategy implementation among water service providers licensed by LVNWSB had been carried out.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The usefulness of findings of a research is largely influenced by the methods and procedures employed in data collection and analysis. This chapter outlines the methodology adopted in this study and covers the research design, population of the study, data collection and data analysis.

#### **3.2 Research Design**

This study was conducted through a census survey design. This research design was adopted because the study mostly involved use of quantitative data collected through a questionnaire. Orotho (2003) indicates that descriptive research is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. The survey design enabled the researcher gather data that could be statistically analyzed to determine factors affecting strategy implementation among WSPs licensed by LVNWSB. According to Cooper and Schindler (2006), statistical studies are designed for breadth rather than depth. Such studies attempt to capture a population's characteristics by making inferences from a sample's characteristics which in this case is the entire population.

#### **3.3 Population of the Study**

The research being a census study involved the five water service providers licensed by Lake Victoria North Water Services Board to operate in its area of jurisdiction (Appendix D). A census survey is where data is collected from all members of the population (Cooper and Schindler, 2006). The census was necessary due to the relative small size of the population that did not warrant sampling. Census was expected to provide an overall picture of strategy development and implementation among the water service providers

under Lake Victoria North Water Services Board. Given the diversity and nature of the data required to answer the research questions, the use of several target groups was adopted. The target respondents therefore consisted of staff from the four cadres in the WSPs; top managers, middle managers, low-level managers and non-management staff.

### **3.4 Data Collection**

Primary data was used for the purposes of this research. This data was collected using a self-administered questionnaire consisting of both open and closed-ended questions. The structured questionnaire is an efficient data collection mechanism since each respondent is asked to respond to the same set of questions. According to Baulcomb (2003), this technique uses a set of categorization for making valid and replicable inferences from the data to their context.

The individual respondents from each of the WPs were selected by the use of purposive sampling approach to ensure inclusiveness of the various staff cadres involved in strategy implementation. For each WSP, four (4) respondents were selected to represent the various staff cadres constituting a total of twenty (20) respondents to whom questionnaires were administered. The respondents in each WSP included: One (1) Manager, one (1) assistant manager, one (1) supervisor and one (1) general staff. The questionnaires were administered to the selected respondents at their places of work through drop and pick later technique. The researcher explained the objectives of the research in order to solicit informed consent from the respondents and ensured that high level of confidentiality on the information provided was maintained. The respondents were expected to respond to the questions based on their knowledge, experience or observation in any strategy implementation processes.

### **3.5 Data Analysis**

The completed questionnaires were inspected for completeness and consistency. The collected data was coded to enhance efficiency in analysis. After coding, the raw data was inputted into Statistical Package for Social Sciences (SPSS) package. The use of SPSS offered systematic and qualitative description of the objectives of the study.

Descriptive statistics was used to analyze the data. This entailed use of measures of central tendency such as the mean. Subsequent to the analysis of the research data, the findings were compared with theoretical approach and themes in the literature review. The analyzed data was then interpreted with respect to research objectives and theory.

### **3.6 Summary of the Chapter**

The study used census survey in collecting data from the five WSPs licensed by LVNWSB. The census approach was selected due to the relative small size of the population that did not warrant sampling. Respondents in the survey were drawn from various management levels at the WSPs. The data obtained was analyzed in accordance with the research objectives and the findings compared with theoretical approach and themes in the literature review.

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The data was gathered through survey questionnaires and analyzed using descriptive statistics with the aim of finding answers to research objectives captured in chapter one. These objectives were to determine the factors that affect strategy implementation among WSPs licensed by LVNWSB and establish intervention measures put in place by the WSPs to deal with strategy implementation challenges.

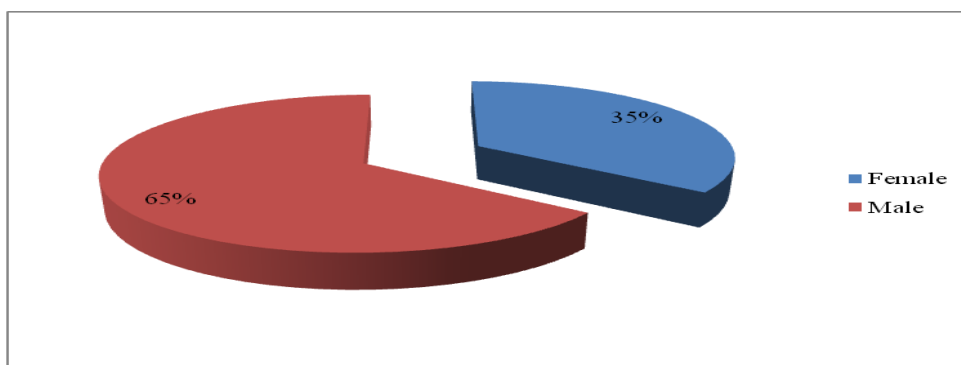
#### 4.2 Demographic Outlook

The study targeted five water service providers licensed by Lake Victoria North Water Services Board and 20 questionnaires were administered, completed and returned making a response rate of 100%. This survey can therefore be said to be successful. The demographic data was captured for the WSPs as well as the respondents to the survey.

##### 4.2.1 Respondents by Gender

Majority (65%) of the respondents were male. The distribution is shown in Figure 4.1.

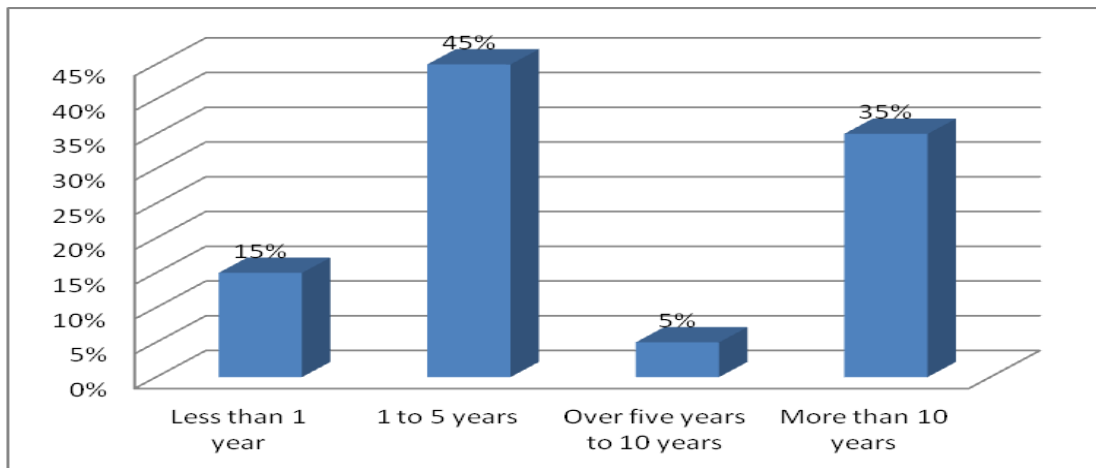
**Figure 4. 1: Respondents by gender**



### 4.2.2 Respondents by Years Served at the WSP

The researcher was interested on whether responses were influenced by the years one has served at a WSP, hence respondents were asked to indicate how long they have served at the water companies. Majority (85%) of the respondents had served at the WSPs for over a year making them to be considered well conversant with the operations of the WSPs. The results are shown in Figure 4.2.

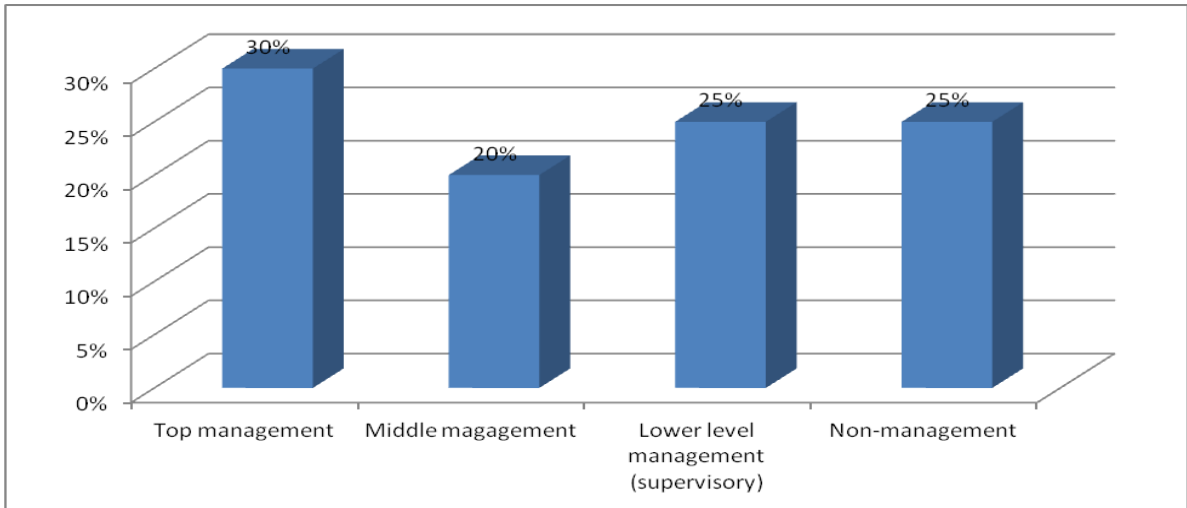
**Figure 4. 2: Respondents by years served at the WSP**



### 4.2.3 Respondents by Job Cadre

Majority (75%) of the respondents were in management positions, ranging from top management to supervisory level. Being in management levels, the respondents were in better position of grasping strategic issues involved in management of the water companies. The distribution is shown in Figure 4.3.

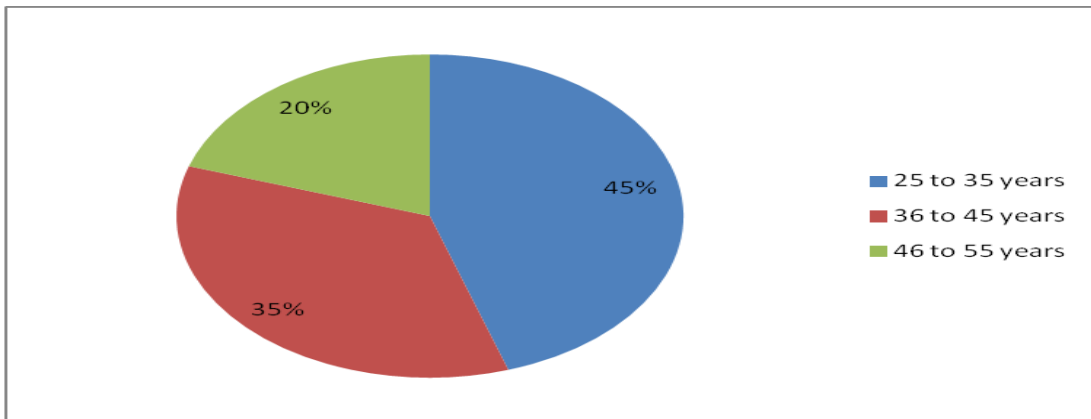
**Figure 4. 3: Respondents by job cadre**



#### **4.2.4 Respondents by Age Bracket**

Majority of the respondents were aged between 25 years and 45 years. The distribution is shown in Figure 4.4.

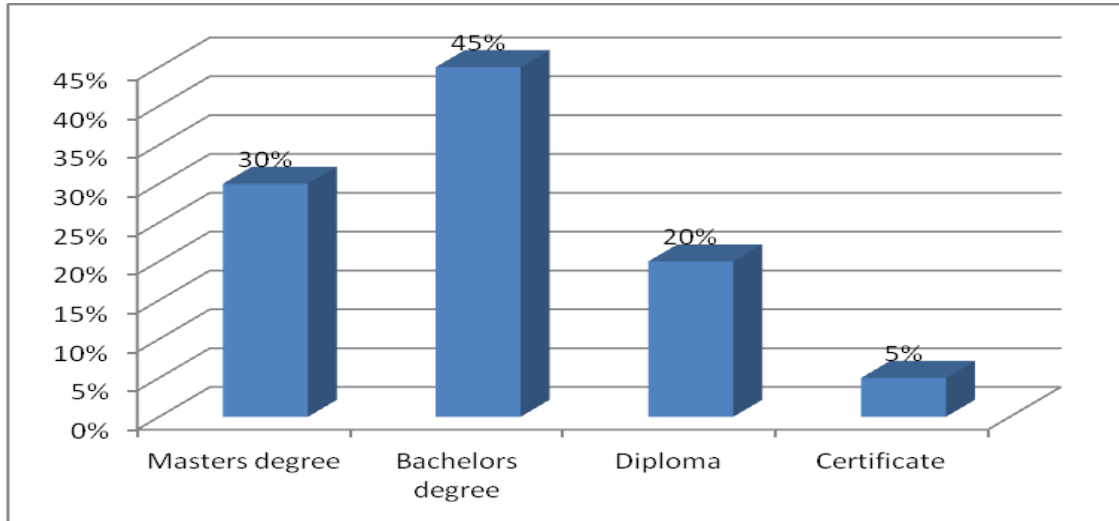
**Figure 4. 4: Respondents by age bracket**



#### **4.2.5 Respondents by Highest Level of Education**

Seventy five percent (75%) of the respondents had either a Masters degree or a Bachelors degree as their highest level of education. This makes the respondents to be better equipped to appreciate strategic issues involved in running the WSPs. The distribution is shown in Figure 4.5.

**Figure 4. 5: Respondents by highest level of education**



#### **4.2.6 Gazettement of the WSPs**

The study sought to determine how long the WSPs have been in operation through establishing when they were gazetted. Eighty percent (80%) of the WSPs were indicated to have been in operation for over three years. The distribution is captured in Table 4.1.

**Table 4. 1: Years since gazettelement**

	<b>Frequency</b>	<b>Percent</b>
Over 1 year ago but less than three years	4	20%
Over 3 years ago	16	80%
<b>Total</b>	<b>20</b>	<b>100%</b>

#### **4.2.7 Water Service Coverage**

The research also sought to determine the level of water coverage in the WSPs areas of jurisdiction. Eighty percent of the respondents indicated their WSPs supply water to over 50% of the coverage area. The distribution is captured in Table 4.2.

**Table 4. 2: Water service coverage**

	<b>Frequency</b>	<b>Percent</b>
30% and above but less than 50%	4	20%
50% and above but less than 70%	8	40%
70% and above but less than 90%	4	20%
90% and above	4	20%
<b>Total</b>	<b>20</b>	<b>100%</b>

#### **4.2.8 Sewer Coverage**

With regards to sewer coverage, 90% of the respondents indicated that their WSPs have not surpassed the 50% mark in provision of sewerage services in their coverage area. The distribution is shown in Table 4.3.

**Table 4. 3: Sewer coverage**

	<b>Frequency</b>	<b>Percent</b>
10% and above but less than 30%	8	40%
30% and above but less than 50%	10	50%
50% and above but less than 70%	2	10%
<b>Total</b>	<b>20</b>	<b>100%</b>

#### **4.3 Strategic Planning at the WSPs**

In the research, the researcher sought to determine whether the targeted WSPs had any strategic plans, when the plans were developed in the company and the duration covered by the strategic plans. The researcher was also interested in establishing who develops the strategies and how the WSPs have performed in their implementation.

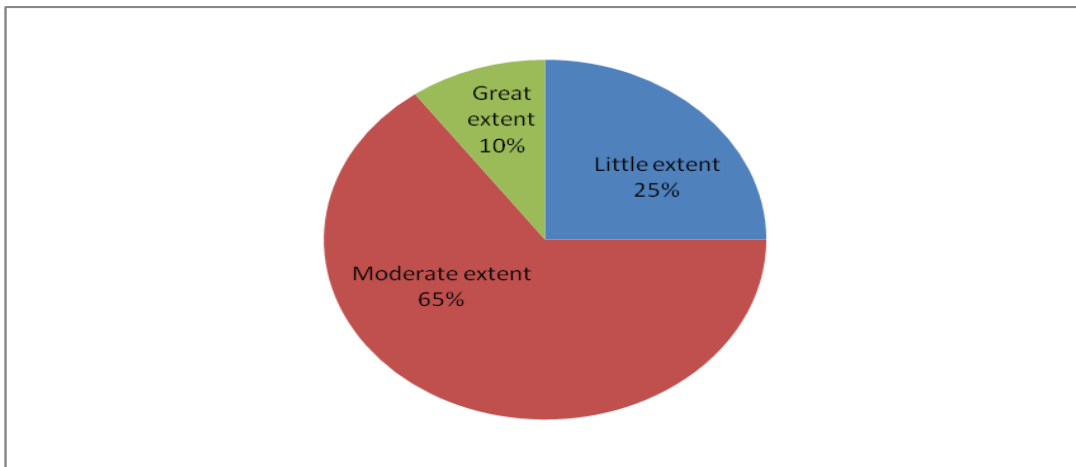
All the WSPs under LVNWSB had strategic plans running for a period of five years. On how long ago the strategic plans were developed, 60% of the respondents indicated strategic plans in their WSPs were developed in the past three years and above with the remaining percentage stating their plans were developed less than three years ago. On the question of who develops strategic plans at the WSPs, 45% indicated that Board of Directors and management were involved in the process. Many (45%) WSPs use a select committee of senior management with an external facilitator in strategic plan development.

**Table 4. 4: Responsibility for strategy development at the WSPs**

	<b>Frequency</b>	<b>Percent</b>
Board of directors and management team	4	20%
Board of directors and management team with an external facilitator	5	25%
A select committee of senior management with an external facilitator	9	45%
A select committee of senior management with an internal facilitator	2	10%
<b>Total</b>	<b>20</b>	<b>100%</b>

With regards to the extent to which the WSPs have implemented the strategic plans, majority indicated to a moderate extent, with only 10% indicating to a large extent. The distribution is captured in Figure 4.6.

**Figure 4. 6: Extent of strategic plan implementation**



#### **4.4 Factors Affecting Strategy Implementation**

In determining the factors affecting strategy implementation among water service providers licensed by Lake Victoria North Water Services Board in Kenya, respondents were given questionnaires listing twenty (20) factors. They were asked to indicate by ticking the extent to which each of the factors affected strategy implementation at the WSPs on a five point scale where 1= Not at all, 2= To a little extent, 3= To moderate, 4=To a great extent and 5= To a very great extent. Mean scores and standard deviations were computed and the higher the mean score, the greater the influence of the factor on strategy implementation at the WSPs. The results are shown on Table 4.5.

**Table 4. 5: Factors affecting strategy implementation at the WSPs**

	<b>Factor</b>	<b>Mean</b>	<b>Standard Deviation</b>
1.	Strategy Formulation Process	4.10	.718
2.	Planning of Operations	4.00	.918
3.	Coordination of Activities	4.00	.858
4.	Internal Communication	3.95	.759
5.	External Communication	3.95	.999
6.	Leadership	3.95	.887
7.	Resource Allocation	3.95	.605
8.	Timing of Activities	3.85	.671
9.	Time allocated to activities	3.80	.696
10	Economic Factors	3.80	.894
11	Organizational Culture	3.80	.696
12	Staff Competency	3.80	.894
13	Organization Structure	3.75	1.020
14	Adequacy of human resources	3.70	.979
15	Clarity of Roles	3.65	.813
16	Staff Motivation	3.45	.887
17	Acts of Nature	3.35	1.040
18	Outcome monitoring	3.25	.639
19	Policies	3.20	.523
20	Politics	3.05	1.669

With a mean of over three (3), all the factors assessed have a great influence on strategy implementation at the WSPs. The factors rated highest in affecting strategy implementation at the WSPs are strategy formulation process at a mean of 4.10, and planning of operations and coordination of activities at a mean of 4.00 each. Communication, leadership and resource allocation were also rated high in affecting strategy implementation at the WSPs. The factors with least influence were politics with

a mean score of 3.05, policies with a mean score of 3.20 and outcome monitoring with a mean score of 3.25.

#### **4.5 Challenges Facing Strategy Implementation at the WSPs**

The study also sought to determine the challenges facing strategy implementation among the WSPs licensed by LVNWSB and the intervention measures put in place by the WSPs to deal with the challenges. The respondents rated the extent to which various challenges were faced in strategy implementation at their WSPs. The rating was on a five point scale where 1= Not at all, 2= To a little extent, 3= To moderate, 4=To a great extent and 5= To a very great extent. Mean scores and standard deviations were computed and the higher the mean score, the greater the challenge in factor strategy implementation at the WSPs.

The mean scores for the challenges identified ranges from a high of 3.63 to a low of 2.32. The major challenges to strategy implementation included unsupportive policies and procedures with a mean score of 3.63, lack of clarity in assignment of responsibilities with a mean score of 3.47, financial constraints with a mean score of 3.44 and poor dissemination of developed strategies to all staff with a mean score of 3.37. The results are shown on Table 4.6.

**Table 4. 6: Challenges facing strategy implementation at the WSPs**

<b>Challenge</b>	<b>Mean</b>	<b>Standard Deviation</b>
Unsupportive Policies and Procedures	3.63	.597
Lack of clarity in assignment of responsibilities	3.47	.612
Financial constraints	3.44	1.199
Poor dissemination of developed strategies to all staff	3.37	.597
Resistance to change	3.29	.849
Inadequate leadership and direction by departmental managers	3.26	.562
Changes in political stability	3.24	1.091
Ineffective Coordination of Activities	3.16	.765
Limited support from external stakeholders	3.11	1.243
Ineffective teamwork	3.00	.882
Competing Activities	3.00	.485
Conflicting strategies	2.84	.765
Scarcity of natural resources	2.83	1.543
Lack of Commitment by Lower level Management (supervisors)	2.79	.918
Lack of motivation among strategy implementers	2.79	.713
Incompetency among Staff	2.74	.806
Lack of Commitment by Top Management	2.68	.946
Limited time for implementation	2.63	1.012
Lack of Commitment by Middle Level Management	2.47	1.124
Changes in technology	2.32	.885

Assessment of how the WSPs are dealing with strategy implementation challenges revealed that various measures are being pursued. Among these are enhancing creation of awareness of the strategies within the companies as a way of making employees feel personal responsibility in fulfilling the strategy; strengthening inter-departmental

collaboration; creating budget for implementation of the strategies; and allocating performance targets to all parties involved.

#### **4.6 Discussion of Findings**

An assessment of how long the WSPs have been in operation reveals that majority have existed for over three years. However, a look at how the companies have performed shows that they have not been able to offer services in all the areas under their jurisdiction with water coverage being at less than 70% and sewerage coverage being at less than 50% for most of the companies. The study revealed that though all the WSPs have strategies in place, implementation has not been at 100%. The strategy implementation process at the WSPs is noted to be influenced by various factors with the key ones being the strategy formulation process, planning of operations, coordination of activities, communication, leadership and resource allocation.

The findings are consistent with the Resource Based View and Stakeholder Theories. In the Stakeholder Theory, a firm is considered to be a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm's activities (Clarkson, 1994). Stakeholder involvement is considered to provide a mechanism for obtaining the consent and commitment of both internal and external stakeholders to strategy implementation. Thus, involvement of the stakeholders in the strategy formulation process and communication becomes critical in the implementation process.

In line with the Resource Based View and Dynamic Capability theories, the WSPs identified resources as an influence to strategy implementation. The Resource Based Theory provides that resources are inputs into a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). To be able to deliver on their mandate, the WSPs require to source and allocate adequate resources to various initiatives they come up with. The WSPs have to continually build, adapt, and reconfigure internal and external competences to achieve congruence with the changing operating environments.

The major challenges to strategy implementation at the WSPs are unsupportive policies and procedures, lack of clarity in assignment of responsibilities, financial constraints and poor dissemination of developed strategies to all staff responsible for implementation. The study noted that the WSPs are trying to address the challenges faced in various ways, including creation of awareness of the strategies within the companies as a way of making employees feel personal responsibility in fulfilling the strategy; strengthening inter-departmental collaborations; creating budget for implementation of the strategies; and allocating performance targets to all parties involved. It is observed that the challenges are the side effects of the items highlighted as critical factors when implementing strategy. It is therefore critical that all the factors be analyzed holistically since the factors and challenges have a cause- effect reaction on one another.

Of importance is to note that the Water Service Providers under LVNWSB in Kenya are greatly influenced by the factors assessed in the study when implementing strategies. The study confirms assertions in existing literature that strategy implementation is greatly influenced by a myriad of factors. As noted by Li, et al. (2008), the factors either influence strategy implementation individually or interrelate and form a strategy implementation environment.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the summary of the findings, conclusions of the study and gives recommendations for policy and practice based on study findings. It also points out limitation of the study and possible areas for further research.

#### **5.2 Summary**

The effectiveness of an organization is illustrated by the distinctiveness of its capabilities and how it uses these capabilities to achieve its goals. One of the most important capabilities that organizations can adopt is an effective and strategic decision-making process. It is on this premise that WSPs under LVNWSB have come up with strategic plans that if fully implemented will see them excel in service delivery. However, for successful strategy implementation, there must be robust strategies in place and a good understanding of both internal and external factors that affect strategy implementation and ways of mitigating negative effects of the factors.

The study revealed that most WSPs have not fully implemented their strategic plans as intended even though they have been in operation for over three years. Coverage of the service areas under the jurisdictions of the WSPs remain below 100%, with sewer coverage the most affected. On strategic planning process, the study found out that different approaches are used by the WSPs with 45% using a select committee of senior management with an external facilitator; 25% using Board of directors and management team with an external facilitator; 20% using Board of directors and management team

with no external facilitator; and 10% using a select committee of senior management with an internal facilitator.

From the study, all the factors assessed were considered to significantly affect strategy implementation with ratings above the threshold of 3.00. The key factors identified as affecting strategy implementation among the WSPs included strategy formulation process; planning of operations; coordination of activities; internal and external communication; leadership; and resource allocation. Other factors that were rated high are: timing of activities; time allocated to activities; economic factors; organizational culture; staff competency; organization structure; adequacy of human resources; and clarity of roles.

The study also assessed challenges to strategy implementation at the WSPs. The challenges were basically the side effects of the items highlighted as critical factors when implementing strategy. The WSPs identified unsupportive policies and procedures, lack of clarity in assignment of responsibilities, financial constraints and poor dissemination of developed strategies implementing staff as the major challenges faced. Other challenges that were rated above the threshold of 3.00 included resistance to change, inadequate leadership and direction by departmental managers, changes in political stability, ineffective coordination of activities, limited support from external stakeholders, ineffective teamwork, and competing activities.

### **5.3 Conclusion**

The objective of this study was to determine the factors that affect strategy implementation among WSPs licensed by LVNWSB and to establish intervention measures put in place by the WSPs to deal with strategy implementation challenges. The study concludes that strategy implementation among WSPs under LVNWSB is affected by a myriad of factors and challenges just like other organization operating either in public or private sectors. Key among the factors affecting WSPs are strategy formulation process, planning and coordination of activities, communication, leadership and resource allocation.

Failure to manage the strategy implementation factors result into strategy implementation challenges, which can be viewed as the side effects of the strategy implementation factors. Thus, WSPs must not only learn to develop sound strategies, but also assess and mitigate the effects of various factors on strategy implementation process.

### **5.4 Recommendation for Policy and Practice**

Emanating from the findings and conclusions of the study, the following recommendations with implication on policy, theory and practices of strategic management are made. First, in line with the Resource Based View, Dynamic Capabilities Theory and Stakeholder Theory to which the findings of this study confirm, allocation of resources towards implementation of strategy and involvement of key stakeholders in strategy formulation process are critical factor in strategy implementation process. The researcher therefore recommends that WSPs, as well as other organizations,

involve key stakeholders in the strategy formulation process and that adequate resources be allocated for the process.

The high ratings for leadership, communication and planning and coordination of activities as factors affecting strategy implementation brings on focus the need for WSPs to review these factors and ensure they are strong enough to support strategy implementation. In general, the researcher recommends that WSPs and other organizations continually build, adapt, and reconfigure their internal and external competences to be able to cope with the changing operating environments. In building their competences, it is critical that the organizations analyze all the strategy implementation factors holistically since the factors and challenges have a cause- effect reaction on one another.

## **5.5 Limitation of the Study**

The limitations of the study refer to those characteristics of design or methodology that impacted or influenced the application or interpretation of the results of the study. Time constraint was one of the main limitations to the study which contributed to responses being obtained from a small number (four) of respondents from each of the WSPs.

The small sample base may make the outcome of the descriptive analysis applied on this data seem less representative. However, whereas this limitation may have constrained analysis, it is 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 Research**

The study concludes that strategy implementation among WSP licensed by LVNWSB is influenced by a number of factors which if not well managed result into strategy implementation challenges. The factors can affect strategy implementation individually or as a group. Further research could be undertaken on the level of interrelation of various factors affecting strategy implementation in water companies or other organizations. A replica study could be undertaken on WSPs under other Water Services Boards in order to compare the results with those of this study.

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# APPENDICES

## Appendix I: Introduction Letter



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAMME**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE 2/9/2015

**TO WHOM IT MAY CONCERN**

The bearer of this letter WANG. ELISHA. O.

Registration No. NGI/60600/2013

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
  
**PATRICK NYABUTO**  
**MBA ADMINISTRATOR**  
**SCHOOL OF BUSINESS**

## Appendix II: Questionnaire

### INSTRUCTIONS

Kindly answer all questions by ticking or explaining as appropriate as per your opinion and based on the facts.

### SECTION A: DEMOGRAPHIC INFORMATION

*For questions in this section, please answer to the best of your knowledge as required.*

1. Name of the company .....
2. When was the WSP gazetted? (Please tick one)
  - Less than 1 year ago
  - Over 1 year ago, but less than 3 years
  - Over 3 years ago
3. How long have you served in the company?
  - Less than 1 year
  - 1 to 5 years
  - Over 5 years to 10 years
  - More than 10 years
4. 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
5. 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
6. Kindly indicate your gender.
  - Male
  - Female

7. Kindly indicate your job cadre.
- Top management
  - Middle level management
  - Lower level management (Supervisory)
  - Non-management
8. Kindly indicate your age bracket.
- Below 25 years
  - 25 to 35 years
  - 36 to 45 years
  - 46 to 55 years
  - Above 56 years
9. Kindly indicate your highest attained level of education.
- PhD
  - Masters degree
  - Bachelors degree
  - Diploma
  - Certificate
  - Others (Please Specify).....

**SECTION B: STRATEGY DEVELOPMENT AND IMPLEMENTATION**

10. Does your organization have a strategic plan?
- Yes
  - No
11. If No in 10 above, why?
- .....
- .....
12. If Yes in 10 above,
- a) How long ago were the strategies crafted?
- Less than 1 year
  - 1 year and above, but less than 3 years
  - 3 years and over
- b) What is the duration covered by the current strategic plan?
- 3 years
  - 5 years
  - Others (please specify)\_\_\_\_\_years
- c) Who develops the strategies? (Please tick one)
- The Board of Directors
  - Board of Directors and Management team
  - Board of Directors and Management team with an external facilitator
  - A select committee of senior management team with an internal facilitator
  - A select committee of senior managers with an external facilitator
  - External consultants alone
  - The Managing Director alone
  - Others (Please specify) \_\_\_\_\_

- d) To what extent has your organization implemented the strategic plan?
- Not at all
  - Little extent
  - Moderate extent
  - Great extent
  - Very great extent

**SECTION C: FACTORS INFLUENCING STRATEGY IMPLEMENTATION**

13. To what extent does each of the following factors affect strategy implementation in your Company? (Use a five-point scale, where: 1= Not at all, 2 = To a Little Extent, 3= To a Moderate Extent, 4 = To a Great Extent, and 5= To a Very Great Extent. Tick (✓) accordingly).

	Factor	Level of effect on strategy implementation at the WSP				
		1	2	3	4	5
1	Strategy Formulation Process					
2	Planning of Operations					
3	Coordination of Activities					
4	Timing of Activities					
5	Time allocated to activities					
6	Internal Communication					
7	External Communication					
8	Leadership					
9	Organization Structure					
10	Resource Allocation					
11	Policies					
12	Politics					
13	Acts of Nature					
14	Economic Factors					
15	Organizational Culture					
16	Adequacy of human resources					
17	Clarity of Roles					
18	Staff Competency					
19	Staff Motivation					
20	Outcome monitoring					

Others (please specify) .....

.....

.....

**SECTION C: CHALLENGES FACING STRATEGY IMPLEMENTATION**

14. To what extent is each of the following challenges faced in strategy implementation at your Company? (Use a five-point scale, where: 1= Not at all, 2 = To a Little Extent, 3= To a Moderate Extent, 4 = To a Great Extent, and 5= To a Very Great Extent. Tick (√) accordingly).

	Challenges	Extent to which challenge is faced in strategy implementation at the WSP				
		1	2	3	4	5
1	Incompetency among Staff					
2	Lack of Commitment by Top Management					
3	Lack of Commitment by Middle Level Management					
4	Lack of Commitment by Lower level Management (supervisors)					
5	Lack of motivation among strategy implementers					
6	Inadequate leadership and direction by departmental managers					
7	Lack of clarity in assignment of responsibilities					
8	Ineffective teamwork					
9	Poor dissemination of developed strategies to all staff					
10	Ineffective Coordination of Activities					
11	Competing Activities					
12	Conflicting strategies					
13	Limited time for implementation					
14	Unsupportive Policies and Procedures					
15	Resistance to change					
16	Limited support from external stakeholders					
17	Financial constraints					
18	Scarcity of natural resources					
19	Changes in political stability					
20	Changes in technology					

Others (please specify).....  
 .....  
 .....

15. What measures has the company taken to deal with challenges of strategy implementation?  
 .....  
 .....  
 .....

**Thank you for the responses**

### **Appendix III: List of Water Service Providers Licensed by LVNWSB**

1. Kakamega-Busia Water Supply Company (KBWS)
2. Eldoret Water and Sanitation Company (ELDOWAS)
3. Nzoia Water and Sanitation Company (NZOWASCO)
4. Amatsi Water Services Company (AWASCO)
5. Kapsabet-Nandi Water Services Company (KANAWASCO)