

**ANALYSIS OF CHALLENGES OF IMPLEMENTATION OF THE STRATEGIC  
MANAGEMENT PLAN IN NAIROBI CITY WATER AND SEWERAGE  
COMPANY**

**BY**

**FLORENCE KWAMBOKA MOGAKA**

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UNIVERSITY**

**(JUNE 2008)**

**DECLARATION**

This is to certify that the research project report is my original work and has not been presented for examination in any University or institution for award of any certificate.

Signature  Date 10/6/2008

**FLORENCE KWAMBOKA MOGAKA**

D53/R1/11420/2004

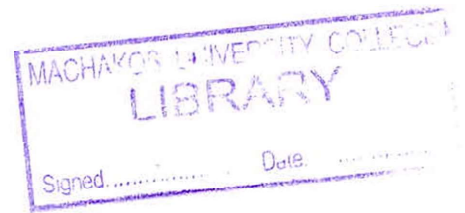
This research project report has been submitted for examination with my approval as University Supervisor

Signature  Date 11.06.08

**DR. OMBUKI CHARLES**

Lecture, Department of Economic Theory.

Kenyatta University



This research project report has been submitted with my approval as the chairman, department of Business Administration.

Signature.....Date.....

**MR. D. K. NGABA**

Chairman, Department of Business Administration.

Kenyatta University

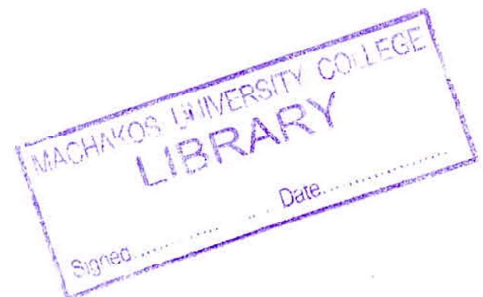


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## **DEDICATION**

This research project report is a special dedication to my loving family whose support has enabled me to complete it. My sincere thanks go to my supervisor, Dr Ombuki who has always guided me with encouragement. I also thank the Almighty God for giving me a chance to live and attain this level of education.

## **ABSTRACT**

### **Challenges of implementation of strategic management plan**

The purpose of the proposed study was to analyze the challenges of implementing the strategic management plan in Nairobi City Water and Sewerage Company Ltd. The study sought to examine the challenges of strategic plan implementation aimed at improving service delivery on timely basis, and if possible find ways of implementing the plans successfully. The focus of the study was on variables such as employee training, availability of resources, political influence, organization change among others.

The researcher adopted descriptive research design. The study target was Nairobi City Water and Sewerage Company Ltd, with a target population of 928 consisting of Functional Directors, Managers and Co-ordinators, Supervisors and Officers, and Rank and File, with a sample size of 100. Questionnaires were used to collect data. The data collected was analyzed both qualitatively and quantitatively. Data were analyzed according to the objectives of the study. The overall objective of this study was to analyse challenges of implementation of the strategic management plan in NCWSC. A profile of data from each of the respondents was compiled and subjected to Statistical Package for Social Sciences (SPSS) for processing. The results are represented in tables of frequency distribution and percentages.

The findings of the study showed that implementation is hampered by: political influence, inadequate employee training, inadequate provision of resources, and organisation change.

In view of the above findings, the researcher made the the following four recommendations:

The organization (NCWSC) would provide adequate resources to help in successful implementation of the SMP and at the same time intensify the existing training programme for the understanding of the strategy implementation process. The management should also check and control political influence by putting in place policies on recruitment and succession process.

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## DEFINITION OF KEY TERMS

Strategic Management Plans	These are superior plans aimed at achieving higher performance in an organization (Hill, 2004)
Formulation Experts	These are highly trained people charged with responsibility to formulate plans
Resource Availability	These are tools and environment for operation consisting of personnel, space, facilities etc
Vested Interest	When different stakeholders have different interest especially to managers and the general operations of an organization.
Political Influence	This is a situation where management decision are influenced by powerful politicians
Service Delivery	The ability of a firm to provide its products on timely basis to customers (Lewis, 2005) In this study this is used interchangeably with performance.

## **LIST OF ACRONYMS**

<b>AWSB</b>	Athi Water Services Board
<b>NWSB</b>	Nairobi Water Services Board
<b>NCWSC</b>	Nairobi City Water and Sewerage Company Ltd.
<b>SPSS</b>	Statistical Package for Social Sciences, used to analyze data.
<b>NCC</b>	Nairobi City Council.
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats of an Organization
<b>SMP</b>	Strategic Management Plan



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Background of the study**

In recent years, strategic plans have been used by management as a tool in the attainment of goals and objectives of their organizations, as companies need to innovate and differentiate themselves in order to achieve a competitive advantage, by proactive and fast strategic responses (Dredger 2004)

According to Ansoff and McDonnell (1998), in the 1950's, it became clear that organizations were experiencing problems. As the environment changed from a reactive to more anticipatory in nature, extrapolation of past and present information was not working and discontinuities in trends were more visible. The remedy to the problem was seen in strategic planning and strategic posture management. This mode of planning developed, as new competitive strategies as practiced historically, and those in the new areas needed to match historical strengths and weaknesses of the organization. The 1960's and early 1970's saw the practice of strategic planning firmly embedded in the West and the United States of America. This period exhibited a boom in organizations as relative peace had been in place for a great deal of time and organizations experienced growth. It resulted in a period of relative stability as organization lapsed back into the old ways of making strategic plans, i.e. using forecasting and financial budgeting. It proved useful and the plans worked, as the future was considered predictable under the circumstances.

Strategic planning has been a management tool by organizations since the 1960s (Bryson 1998). As with any management tool, it has been used for one purpose only: to help an organization do a better job, to focus on its energy, to ensure that members of the



organization are working towards the same goals to assess and adjust the organization's direction in response to a changing environment. Bryson (1998) asserts that the success of a strategic planning process entails having a plan. The reference further asserts that because it is impossible to do everything that needs to be done in this world, strategic planning implies that some organizational decisions and actions are more important than others and that much of the strategy lies in making the tough decisions about what is most important in achieving organizational success.

What then is strategy? Hornby (2000) defines strategy as a plan that is intended to achieve a particular purpose, or skills of planning the movement of armies in a battle or war.

Armstrong (2002)' asserts that a strategy is a pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. A well formulated strategy helps marshal and allocates an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents. As per Armstrong (2002), strategy can have a number of meanings; a plan, a pattern, a perspective or a specific maneuver (ploy) intended to outwit an opponent or a competitor.

According to Mc Namara (2006), strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it will know if it got there or not. The focus of a strategic plan is usually on the entire organization.

Pearce and Robinson (2004) observe that strategic plans of management serve a variety of purposes in organizations including defining the purpose of the organization and

establishing realistic goals and objectives, consistent with that mission in a defined time frame with the organization's capacity for implementation. It also serves the purpose of communicating the goals and objectives to the organization's constituents, ensuring the most effective use is made of the organization's resources, providing a base from which progress can be measured and providing clearer focus of the organization by producing more efficiency and effectiveness. Strategic plans of management are also useful in bridging staff and board of directors, and building strong teams in organizations.

### **1.1 Profile of Nairobi City Water & Sewerage Company Ltd**

The Nairobi City Water & Sewerage Company Limited (NCWSC) was incorporated in December 2003 under the Company's Act CAP 486. Nairobi Water Company is a wholly owned subsidiary of the Nairobi city Council (NCC). It has its headquarters at Kampala Road, Industrial Area with divisional centers at Karen, Nairobi Dam, Eastleigh, Kariobangi and Gatundu.

The Company's formation arose from the enactment of the Water Act 2002, which cleared new institutions to manage water resources in Kenya. The Company, therefore, took over the provision of water and sewerage services within Nairobi and its environ from the Water and Sewerage Department of the NCC.

The Nairobi Water Company was mandated by the Athi Water Services Board (AWSB) to provide water and sewerage services to Nairobi residents under an agreed framework specified in the Service Provision Agreement (SPA), that ensures adequate and quality supply of water, affordable tariffs, and maintenance and improvement of water and sewerage infrastructure. There was also a tripartite agreement between the NCC, Nairobi

Water Services Board (NWSB) and NCWSC. Other agreements include those for Agency and Operational assets between the NCC and NCWSC.

Initially, the provision of water and sewerage services in Nairobi was in the hands of Nairobi City Council, whose services were uncoordinated and unplanned, marked with corrupt deals, an endless queue to pay water bills, erroneous contentious bills by clients, irregular water supplies and unrepaired sewers within the city (Nairobi Water Newsletter, 2004). The NCC did not have a strategic plan in place which would guide the organization in delivering its services. NCWSC was formed in 2004 with a view of resuscitating the water sewerage services.

Upon taking over supply of water in the city, NCWSC embarked on a massive but multi-faceted programme to resuscitate the once moribund department of water and sewerage services. The company took over the services of water provision formerly offered by Nairobi City Council. The company launched its strategic plan in the same year, (2004). In this plan, it set its targets to provide affordable water and sewerage services through efficient, effective, and sustainable utilization of the available resources in an environmentally friendly manner, and to meet and exceed the expectations of consumers and other stakeholders. However, despite the detailed strategic plan, there still exist problems relating to provision of water and sanitation in the city. For example, residents in Karen, Uthiru, Riruta and Satellite have been experiencing inconsistent supply of water for the past three years - (Nairobi Water News 2006.)

According to Nairobi Water Services Board, the Water needs for Nairobi City is 337,000 cubic meters per day but the net water available for consumption from the water supply



network is 248,000 cubic meters per day, The 89,000 cubic meters per day or 25% deficit results in water rationing and complaints of inadequate water supply. Within Nairobi, only 42% of households have water connections serviced by the Nairobi Water and Sewerage Company. Almost all other households obtain water from Kiosks, vendors and illegal connections. Of the existing customers, more than 40% do not receive 24 hour services, 30% receive water about once every two days while 10% receive water only once a week. On the other hand, the existing sewer network in Nairobi covers an area of 208 square km which is 30% of the city. Sanitation in informal settlements is poor. About 18% of poor households do not have access to any safe sanitation (athewaterproject.htm 30/02/2007) During an address to delegates at a civic seminar in May 2006, the company chairman, Mr. Kabando wa Kabando, said the company had scaled great heights in service provision but continued to face serious challenges of illegal connections and misuse and abuse of sewers (Nairobi Water News 2006).

The above implies that the Company has not achieved its major objective as specified in its mission statement.

## **1.2 Statement of the Problem**

As shown in the background, the company took over the water supply in the city in 2004. In the same year, it implemented its strategic plan for the period 2004 – 2007. Among the targets it set in the plan were to provide affordable water & sewerage services through efficient and effective resource utilization and meet the consumer demands. However, as seen in the background, this target is yet to be achieved as a number of Nairobi residents have irregular water supply and only 42% households have water connections Nairobi Water News (2006)

The purpose of this study therefore was to analyse challenges of the implementation of the strategic management plan in NCWSC.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The overall objective of this study was to analyse challenges of implementation of the strategic management plan in NCWSC.

#### **1.3.2 Specific Objectives**

To determine extent to which political influence affects implementation of the strategic management plan in NCWSC.

To examine the extent to which employee training impacts on the implementation of the strategic management plan in NCWSC.

To investigate the extent to which availability of resources affect implementation of the strategic management plan in NCWSC.

To evaluate the impact of organization change on implementation of the strategic management plan in NCWSC.

### **1.4 Research Questions**

The study sought to answer the following questions;

1. How does political influence affect implementation of the strategic management plan in NCWSC?
2. To what extent has employee training impacted on implementation of the strategic management plan in NCWSC?
3. To what extent does availability of resources affect implementation of the strategic management plan in NCWSC?

4. How has organisation change impacted on implementation of the strategic management plan in NCWSC?

### **1.5 Significance of the Study**

Implementation of strategic management plans in organisations has been an issue of National Importance in our growing economy. A study on such a topic would benefit all the stakeholders.

This research was therefore expected to be of significance to the following:

- a) Government: The government especially the Water Ministry will use the information availed for the purpose of improving the public utility services to the citizens.
- b) Employees: The employees of the organization will acquire the deserved training to improve their skills and knowledge on the product in question (water) and how to provide the services conveniently and economically.
- c) Consumer: The water consumer (Nairobi Residents) will benefit from the study because it will reveal all the challenges of water supply.
- d) Other Researchers: Other research scholars will use the study as a reference text.
- e) Public and Private Sector: The study will expose the challenges of implementation of strategic management plans so that they can be tackled beforehand.

### **1.6 Limitations of the Study**

1. The study was carried out in the private sector (Nairobi City Water and Sewerage Company Ltd) though strategic management plans are implemental in all sectors of



the economy. A larger sample covering more organizations would have been more representative.

2. Time: The researcher was a part time student who was not on full time study programme. She is a regular employee of Teachers Service Commission. In this context, the duration of the study was limited. However, she worked round the clock to complete the work.
3. Biased Respondents: Some employees were not willing to respond to certain issues as required. The researcher used persuasive language and assured the respondents of confidentiality of any information they gave. The researcher exhausted all avenues available and went an extra mile to ensure that all issues raised were adequately addressed.

### **1.7 Scope of the Study**

The research proposal focused on challenges facing implementation of the strategic management plan in Nairobi City Water and Sewerage Company Ltd. The main focus of the study was the Managing and functional Directors, Managers and Coordinators, Supervisors and officers. The study sought information from these respondents because they were better placed to divulge the kind of information the researcher was interested in. The sample population of 100 was drawn from 928 managerial staff of NCWSC and officers from highest to middle lower levels.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter highlights the major issues relating to the effectiveness of strategic management plans in public enterprises. The chapter presents the review of literature in terms of introduction, empirical review, Critical review and summary research gaps. It explores issues such as the need for strategic plans formulation, evaluation and control , objectives and benefits of the strategic plans.

#### **2.1 Corporate Strategy**

Business strategy may mean the totality of management decisions that determines the purpose and direction of the enterprise and hence its fundamental goals, activities and policies which it selects in order to attain its objectives. The strategies adopted will determine the internal character of the organization, how it relates to the outside world, the range of its products, the markets in which it operates and its intentions for the future (Bennett 2003). Decisions made at the strategic level set precedents for lower echelons and cascade down to affect functional, divisional and departmental operations. According to Bennett (2003), strategic decisions include matters relating to diversification, acquisitions and divestments, maximization of the firm's strengths, minimize its weaknesses and establish competitive advantage in the market place, how many workers to employ and the technology to be used in production, quality levels and the means for assuring that quality targets are met. Whereas strategies define the general path a business is to follow, plans state precisely how it intends its strategies to be realized.

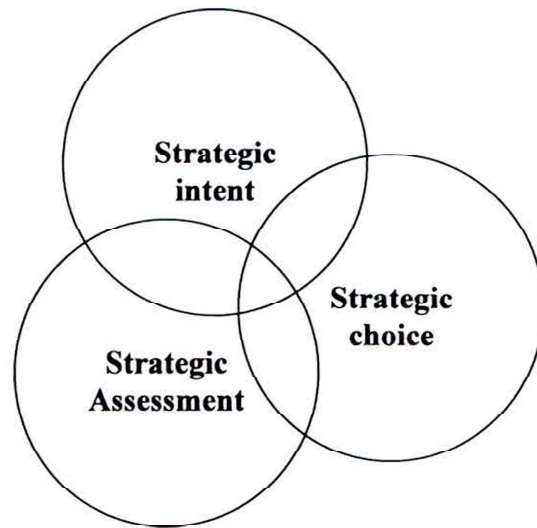
Koch (2000) asserts that "Strategy by numbers" is not enough. Its not just a matter of following certain techniques, of drawing charts and plotting where businesses fall, but it

requires intuition, crafting, creative skill, sensitivity to market trends and appreciation of what any company can and cannot deliver.

At business or corporate level, a strategic plan can help managers define the different parts of their business, show where profit and cash can be made understand the customers' perspective, understand the SWOT analysis of the company etc. Corporate strategy is concerned with the organization as a whole. It defines the industries or markets in which the corporate will operate and sets the direction in terms of development of the overall portfolio. It will provide the basis for the allocation of resources. The corporate mindset often defines and carries out strategic planning as a periodic or annual exercise. However, with the dynamic markets, it requires that strategic thinking processes become a continuous focus of management being integrated into the ongoing reviews and decision making (Elkin 2003).

Strategic management operates on short term strategies involving planning and managing for the present and long term strategies involving planning and managing for the present, and long term strategies involving preparing for and pre-empting the future. Derek (2003) suggests that understanding this dual nature of strategic management is the least understood part of the process. Derek (2003) claims that balancing aspects of strategic planning requires the use of dual strategies simultaneously. Strategic management planning is the highest level of corporate activity that sets the terms and goals for a company that it should follow for prosperity. The strategic formulation process has three logical elements, as illustrated in Figure 2.1

Figure 2.1: The Strategy Formulation Process



Source: Macmillan and Tampoe (2000)

Strategic intent – a driver of strategy process since all meaningful action must originate in purpose. It may also change or develop as a result of the strategy formulation process. Strategic intent is concerned with the ends and purposes of the enterprise and combines a vision of the future with the intent to make that vision a reality (Macmillan and Tampoe)

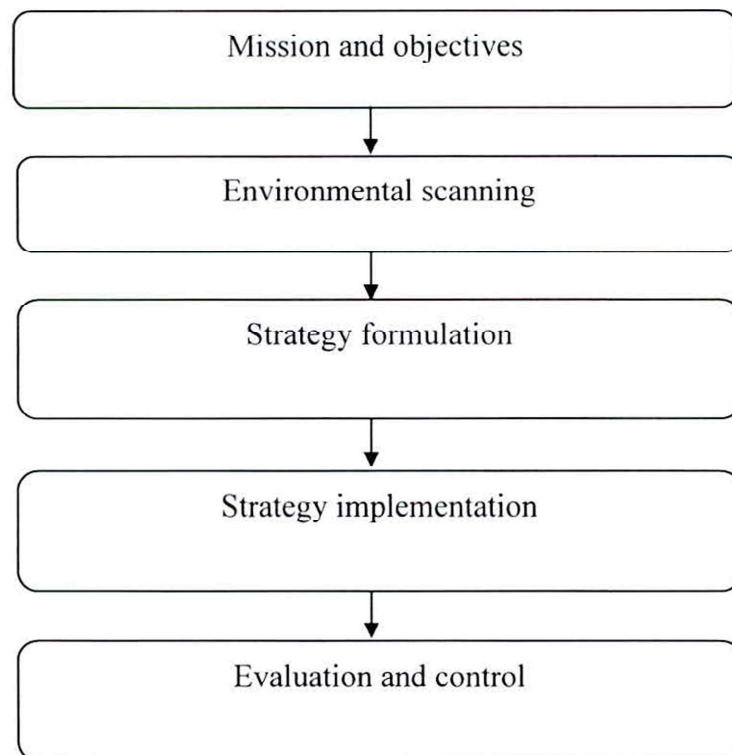
Strategic Assessment is an overall assessment of the context at a particular time and the effects of possible future actions. It involves standing back from the everyday activities of the business. Strategic assessment considers how likely the enterprise is to realize its strategic intent as the business environment changes by taking into account current performance, expected future trends, the aims of the enterprise, and the success of past strategies. Strategic choice requires faith that actions taken now will improve future outcomes. It involves deciding what action to take and how to take it for the future health and direction of the enterprise (Macmillan & Tampoe 2000)



## 2.2 The Strategic Planning Process

According to Hax and Majluf (1997), there are two major cycles in the planning process; strategy formulation and strategic and operational budgeting. Strategy formulation is intended to frame all the key strategic issues of the organization through a sequential involvement of the corporate business and functional perspectives. Strategic and operational budgeting deals with the final definition and subsequent consolidation at the corporate level. The strategic planning process has five levels as shown in figure 2.2 below.

Figure 2.2: The Strategic planning process



Source: Hax and Majluf (1997)

The purpose or intent of strategy is to act as a driver of the future. No successful action can occur without some underlying purpose. The role of strategy is to determine, clarify, or refine purpose. This may require creating new visions of the future to inspire the

organization to greater efforts or wider scope. It may entail reconciling conflicting purposes. One purpose of strategy is to improve the fit between capabilities and the opportunities available and thereby to make the business more successful

(Hax and Majluf (1997) Hax and Majluf (1997) further state that developing the strategies enhances how the organizations intend to achieve their objectives. External and internal analysis, for example, can be studied in different forms where organizations look at strengths and weaknesses in terms of the internal environment, and also critically examining the potential that exists in the opportunities and threats in the external environment.

Macmillan and Tampoe (2000) assert that the Japanese firms are particularly good at “crafting strategies”. This is the art of allowing their strategies to emerge from deep involvement of managers with the business rather than doing abstract exercises in strategy formulation. There is no standard approach to strategy formulation that can guarantee success. Formulating strategy depends on its originality, creativity, and effective implementation that lead to future business success and not the process itself. As noted by Steiner (1998), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control process, while evaluation and control is concerned with determining what the actual performance of the firm is and ensuring that it is consistent with organization roles, objectives, and expected performance.

### **2.3 Strategy Implementation**

Implementation is an integral part of strategic management so that the process and content of strategy should take the needs and capabilities for implementation into account. Many



strategic change initiatives fail to achieve their stated objectives. Often this failure is due as much to underestimation of the difficulties of implementing the changes as to poor execution. To implement a new strategy, it is likely that change will be needed in the business processes, the culture and the structure of the enterprise, and if the implementation is poor, all other elements of strategic management become a waste of time and effort (Macmillan Tampoe 2000).

Ansoff *Et Al* (2003) points out; “the outcome of strategic planning is only a set of plans and intentions. By itself strategic planning produces no actions, no visible changes in the firm. To effect the changes, the firm needs appropriated capabilities, trained and motivated managers, strategic information, fluid and responsive systems and structures.”

In a recent study as into why chief executives lose their jobs, Charan and Culvin (1999) found that in the majority of cases, 70% of the real problem is bad execution, i.e. not getting things done, being indecisive and not delivering on commitments, Holman (1999) writing on the importance of strategy implementation points out that 80% of Directors believe they have good strategies but only 14% believe they implement them well, according to a quest worldwide survey of 114 international companies. And “strategy execution” was identified as the most valuable of 39 non – financial performance measures in a recent Ernst and Young Survey of 275 US portfolio Managers (Macmillan & Tampoe 2000)

Hamel (2000) coined the term strategic convergence to explain the limited scope of the strategies being used by rivals in greatly differing circumstances. He lamented that strategies converge more than they should, because the more successful ones get imitated

by firms that do not understand that the strategic process involves designing a custom strategy for the specifics of each situation.

Thompson and Strickland (1997), states that implementation of strategy entails converting the organizations strategic plan into action and then into results. Like crafting strategy, it's a job for the whole management team, not a few senior managers. While the organization's Chief Executive Officer and the heads of major organization units (business divisions, functional departments, and key operating units) are ultimately responsible for seeing that strategy is implemented successfully, the implementation process typically impacts every part of the organizational structure, from the biggest operating unit to the smallest frontline work group. Every manager has to think through the answer to, "what has to be done in my area to implement our part of the strategic plan, and what should I do to get these things accomplished?" In this sense, all managers become strategy implementers in their areas of authority and responsibility, and all employees are participants. One of the keys to successful implementation is communication. For example, management must present the case for organizational change so clearly and persuasively that there is determined commitment throughout the ranks to carry out the strategy and meet performance targets.

According to Thompson and Strickland (1997), the strategy implementing function consists of seeing what it will take to make the strategy work and to reach the targeted performance on schedule – the skill here is being good at figuring out what must be done to put strategy in place execute it proficiently, and produce good results. The job of implementing strategy is primarily a hands- on close- to- the scene administrative task that includes principles such as; building an organization capable of carrying out the strategy

successfully, developing budgets that steer resources into those internal activities critical to strategic success, establishing strategy supportive policies, motivating people in ways that induce them to pursue the target objectives energetically and if need be, modifying their duties and job behavior to better fit the requirements of successful strategy execution.

## **2.4 Strategy in the Public Sector**

According to Johnson and Scholes (2002), public organizations are likely to experience a good deal of direct or indirect control or influence exercised from outside the organization, by government in particular. A commercial enterprise that is state controlled may find not only planning horizons determined more by political than by market conditions, but also constraints on investment capital and therefore on bases of financing and on the attitude that managers have to change strategies.

Public service organization e.g. many of the amenities run by local government, face difficulties from a strategic point of view because they may not be allowed to specialize, and may not be able to generate surpluses from their services to invest in development activities. This can lead to a mediocrity of service where strategic decisions mainly take the form of striving for more and more efficiency so as to retain or improve services on limited budgets.

Johnson and Scholes (2002) further assert that the role of ideology in the development of strategy in the public sector is probably greater than that in commercial organizations. The criterion of acceptability to stakeholders of strategic choices is probably of greater significance in the public sector.



Johnson and Scholes(2002) continues to hold that many local authorities recognize that efficient and effective public services are an essential part of a healthy democratic society and will require councils to meet the aspirations of local people for the highest quality and most efficient services.

## **2.5 Gaps in Literature**

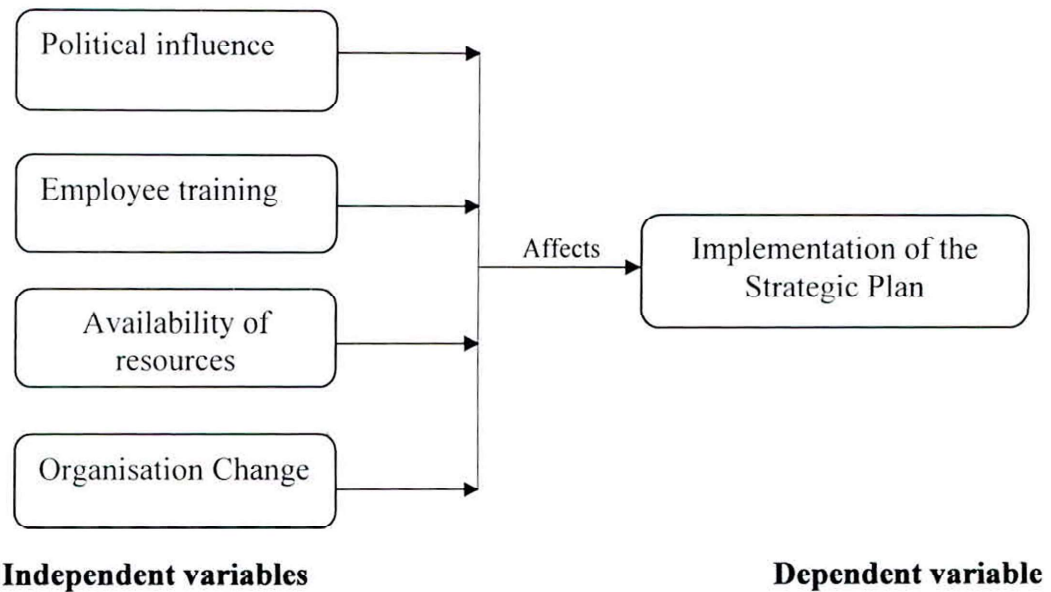
As seen from both general and specific literature, not many studies have assessed challenges of implementation of management plans. Ouma (2005) attempted to investigate some of these factors but was mainly limited to strategic implementation and performance. This study extended or built upon Ouma's study but captured more other factors such as organization change, political influence, availability of resources and training, which are presumed to be among critical factors affecting implementation of Strategic Management Plans in organisations.

## **2.6 Conceptual Framework**

The conceptualization of the study was based on the assumption that the implementation of the strategic management plans is faced with challenges that frustrate the plans and their implementing machineries, of which when eliminated will lead to improved performance and greater profitability in the public sector. The independent variables were: - political influence, change in the organization, resources availability and training facilities. These were considered as independent variables and analyzed in relation to how they affect the implementation of strategic management plans which was the dependent variable. The conceptual frame work is illustrated in figure 2.3.



Figure 2.3: Schematic presentation of variable relationships



Source: Author, 2007

The above figure 2.3 encapsulates the relationship between the independent variables and the dependent variable of the study. Political influence is a situation where powerful individuals constantly influence the direction of plans and implementation process. Whereas in organization Change the staff usually resists any sort of change, which may slow down the implementation of the strategic plan, resource availability or scarcity of resources may influence the timings of any project i.e. Human resources, Finance and office space. The facilities and programs of training do influence the implementation of any strategic plan.

## 2.7 Summary and Research Gaps

From the fore going, it is likely that strategic management plans have had positive effects on not only the work performance and output, but also on management practices and the attitude of people working in various organisations. A lot of the studies done in this area

have focused on developed countries. There is very little research that has been done in the developing countries. This study therefore sought to focus on the situation in Kenya by analyzing challenges of implementation of the strategic management plan in Nairobi City Water Company Ltd.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the study design and methodology that was used in gathering information that was needed for the purpose of completing the study. This is done in terms of introduction, research design, target population, Sampling design, Data collection instruments and procedure and Data analysis criteria that was to be used. This study adopted the methodology of Ouma (2004) in analyzing strategy implementation and its impacts on performance of KRA

#### **3.1 Research Design**

The study adopted descriptive research design because it allowed the use of primary as well as secondary data and gave room for application of the study results in the entire water sector.

#### **3.2 Target Population**

The target population was the management staff of NCWSC Ltd. This included the Managing and Functional Directors, Managers and Coordinators, Supervisors and Officers from highest to middle lower level, totaling to 928. This is shown in Table 3.1

Table 3.1: Target Population

<b>Category</b>	<b>No. of Workers</b>	<b>Sample</b>
MD, CS and Functional Directors	8	8
Managers and coordinators	150	15
Supervisors	420	42
Middle lower level officers	350	35
<b>Total</b>	<b>928</b>	<b>100</b>

Source: NCWSC, 2007

### **3.3 Sample size and Sampling Design**

A sample of 100 workers was picked using simple random sampling. The distribution in each category is as shown in Table 3.1 above. From the categories of managers and coordinators, Supervisors and officers, Rank and file, 10% of the total workforce in each category was picked for inclusion in the sample. The researcher used purposive sampling, to include in the sample, the entire workforce in the category of Functional Directors and MD. This was because each director heads a department that deals with unique services. According to Mugenda and Mugenda (1999), ten percent of the accessible population is enough for descriptive studies, while purposive sampling may be representative of an extreme group, however small.

### **3.4 Piloting**

The researcher carried out a pilot study of a selected sample to test the validity and reliability of the questionnaire. The purpose of the pilot study was to remove any irrelevant question items and focus the questionnaire so that the right information would be collected. After the pilot study the researcher proceeded to administer the questionnaire.



### **3.5 Data Collection**

Data was collected from both primary and secondary sources. From primary source, data on age, experience, roles of employees, level of training among others was collected. Data on resource availability and the existing strategic plan was obtained from secondary sources. Primary data was collected through a questionnaire (see appendix 3), while secondary data was collected from NCWSC documents and website. This mainly reviewed the management and strategic business plans, financial statements and other relevant information that enabled the researcher to obtain the maximum required information in as far as training, political influence, organization change and availability of resources pose as challenges of implementing strategic management plans.

### **3.6 Data Analysis**

The researcher used quantitative and qualitative methods to analyze data. The quantitative data collected was summarized and analyzed by using cross tabulations and descriptive statistics such as measures of central tendency. The results of data analysis were presented by the use of tables to display the information obtained from the respondents. On the other hand the qualitative data were grouped into similar themes and analyzed so as to display the opinion of the respondents. The Statistical Package for Social Sciences (SPSS) was used to process data by presenting the data in Pie charts and bar graphs.

#### **4.0 Introduction**

This chapter reports the major findings of the study as they relate to each of the Research questions advanced in the preceding chapter. Responses on the closed-ended and open-ended questionnaire items were summarized in tables, graphs and pie charts using frequencies and percentages. The rest of the data was presented in narration form where the most outstanding responses were mentioned.

#### **4.1 Instruments return rate**

The researcher issued out 100 questionnaires to the respondents from NCWSC of which only 83 were returned. This accounted for 83% response rate. The reasons as to why the response rate was not 100% included the fact that some of the subjects who were issued with the instruments had been transferred to other work stations before returning the filled questionnaires, Others returned questionnaires most of whose items were not filled, some of the questionnaires contained data which were deemed not useful while some of the subjects did not return the questionnaires at all.

#### **4.2 Demographic Data**

Presented in this section are findings on details of the respondents like their gender, age, level of education, and highest academic achievement.

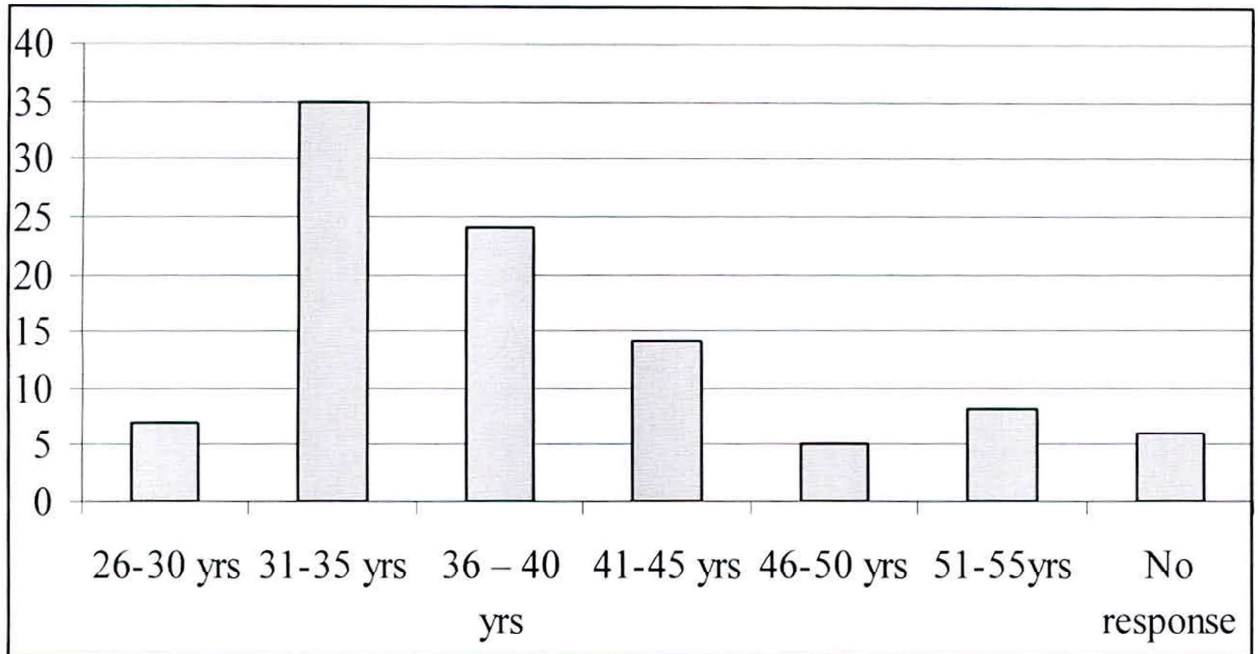
#### **4.3 Gender of the respondents**

The respondents were required to state their gender and the data showed that majority (75%) of them were males while 21% were females. Three respondents however did not

of the total respondents. Those who were aged between 36-40 years made up 24% of the respondents while those who were aged between 41-45 years represented 14% of the sampled population. The rest of the age categories were each represented by a percentage ratio of less than 10%. These findings indicate that majority of the management staff at NWSC is aged between 30-45 years. This is the age stage when most workers are

working with NWSC for a long period to see to the fruition of the strategy. These findings are represented in figure 4.1.

Figure 4.1: Age of the respondents



Source: Survey Data 2008

#### 4.5 Respondents Level of education

The researcher sought to find out from the respondents their highest level of education. Majority of them had attained diploma level of education. They represented 36% of the study sample. Those who had attained postgraduate level of education were 23%. A minority 5% had had no formal education. This item however attracted a relatively high no response rate of 12%. This could be attributed to some of the respondents not being proud of their academic achievements. These findings are tabulated in table 4.2

Table 4.2: Level of education

<b>Level of education</b>	<b>Frequency</b>	<b>Percent</b>
No formal Education	4	5
Diploma level	30	36
Undergraduate	12	14
Post graduate	19	23
Other	8	10
No response	10	12
<b>Total</b>	<b>83</b>	<b>100</b>

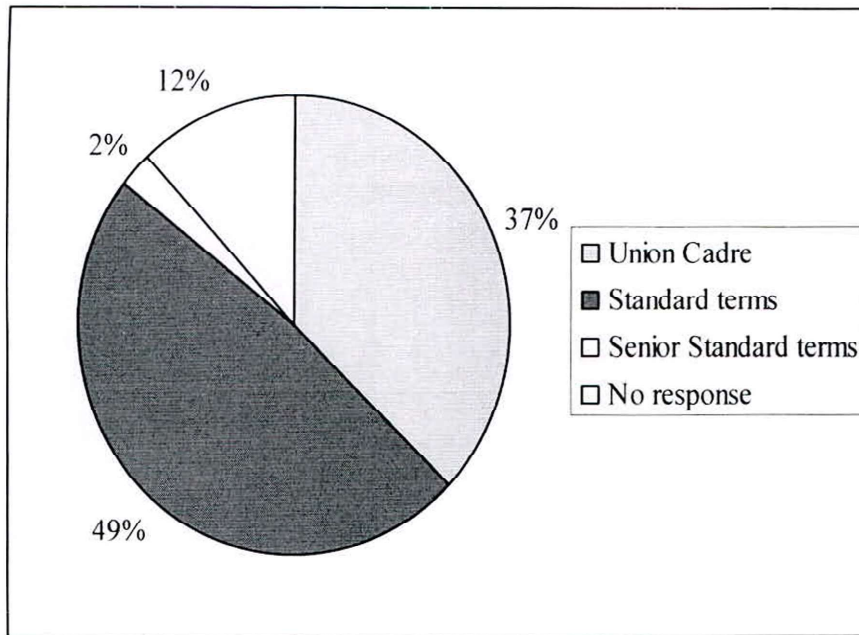
Source: Survey Data 2008

#### **4.6 Respondents' Position in the organization**

The respondents were further asked to ~~state~~<sup>state</sup> the positions they occupied in the company. Those who occupied the standard terms were the majority. In total they made up 48% of the respondents. Union cadre employees interviewed were 37% while those in senior standard terms were only 2% of the interviewees. From these findings it is clear that most of the respondents occupied senior positions in the company. They are therefore expected to have substantial contribution in the formulation and implementation of strategies in the company. These findings are shown in figure 4.2



Figure 4.2: Respondents' Position in the organization

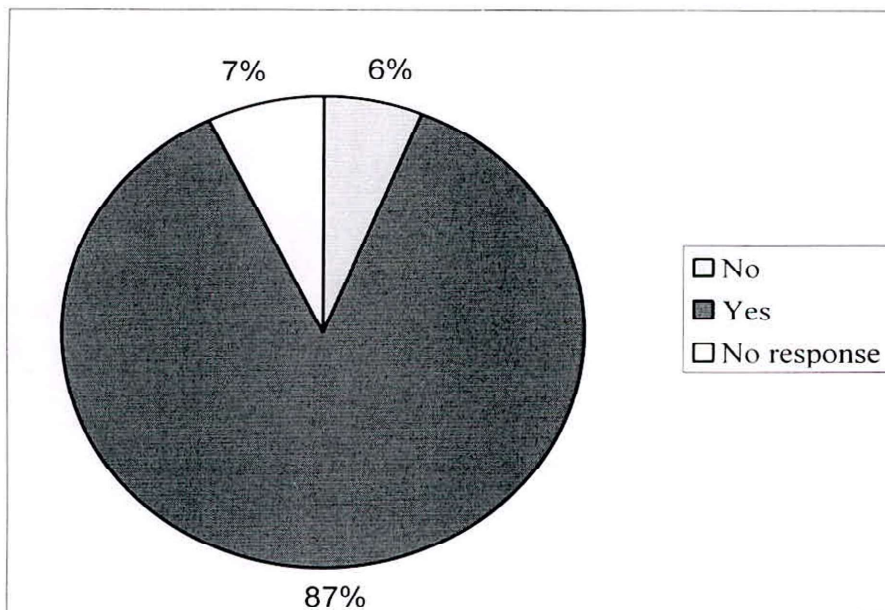


Source: Survey Data 2008

#### 4.7 Provision of resources for the implementation of SMP

The researcher sought to find out from the respondents if their company had set aside resource for the implementation of the strategic management plan. A large majority of them (87%) said it did while a minority 6% said it did not. These findings imply that NCWSC has prioritized Strategic management plan hence providing resources specifically for it. These results are shown in figure 4.3

Figure 4.3 Provision of resources for the implementation of SMP

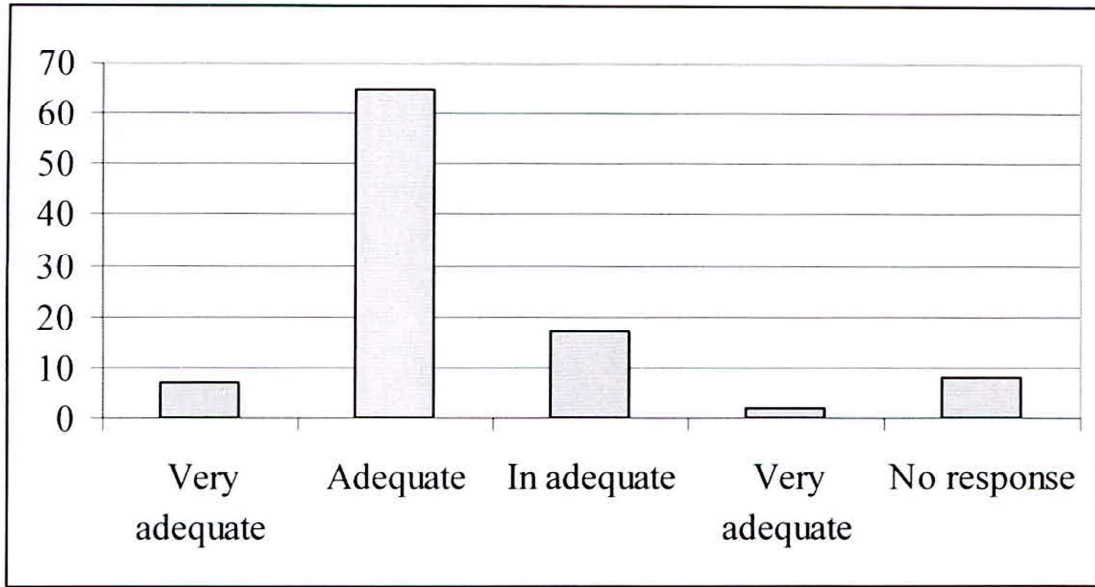


Source: Survey Data 2008

#### 4.8 Adequacy of the resources provided for SMP

The researcher endeavored to find out from the respondents their opinions on the adequacy of resources provided. Majority of the respondents (65%) indicated that the resources were adequate while 17% of them felt the resources were inadequate. On the other hand, 8% of the respondents could not tell whether the resources were adequate or inadequate. These findings are tabulated in figure 4.4

Figure 4.4: Adequacy of the resources provided for SMP



Source: Survey Data 2008

#### 4.9 Whether organization follows a defined set of procedures in its SMP

The respondents were further asked if NWSC consistently follows a defined set of procedures in its' strategic planning process. A majority (69%) said it did while a minority 24% said it did not. 7% of them did not respond to the question. These findings generally imply that NWSC has a well defined strategic planning process in position. These results are shown in table 4.3

Table 4.3: Whether organization consistently follows a defined set of procedures in its MP

<b>Consistent following of defined procedures</b>	<b>Frequency</b>	<b>Percent</b>
No	20	24
Yes	57	69
No response	6	7
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.10 Participation in the planning process**

The researcher sought to find out whether employees whose work might be affected significantly by strategic management plans are allowed to participate in the planning process. From the findings obtained, 54% of them said they were allowed to participate while 41% of them said they were not. From these findings, it is evident that the planning process is not fully inclusive. This is likely to negatively affect the implementation process. These findings are shown in table 4.4

Table 4.4: Participation in the planning process

<b>Participation in the planning process</b>	<b>Frequency</b>	<b>Percent</b>
No	34	41
Yes	45	54
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008



#### 4.11 Organization view towards strategic management plan

The respondents were also asked to state what they felt was their organization's view towards its' strategic management plan. 40% of them felt it was essential to business while 28% thought it was critical to the company's effectiveness. Those who felt it provided resource assistance in implementation of business plans were 7%. It was however viewed by 11% of the respondents a necessary burden. These findings imply that NWSC positively views strategic management plan as evidenced by majority of the respondents. These findings are shown in table 4.5

Table 4.5: Organization view towards strategic management plan

<b>View towards strategic management plan</b>	<b>Frequency</b>	<b>Percent</b>
Necessary but a burden	9	11
Resource assistance in implementation of business plans	6	7
Essential to business	33	40
Critical to organization's effectiveness	23	28
No response	12	14
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### 4.12 Presence of a formulated employee training policy

The researcher further sought to find out if NWSC has a formulated employee training policy. A large majority of the respondents (87%) answered in affirmative while a minority 8% indicated that the Company lacked an employee raining policy. These findings imply that there is a proper training policy which enables new employees to smoothly get inducted to the system. It also enables employees to acquire new job skills

and keep abreast with current affairs in their areas of specialization. These findings are shown in table 4.6

Table 4.6: Presence of a formulated employee training policy

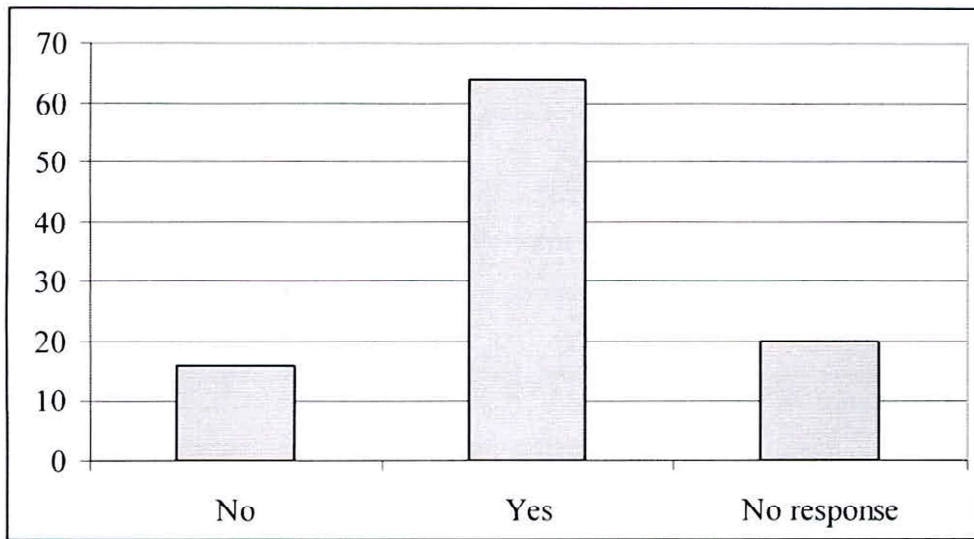
<b>Presence of employee training policy</b>	<b>Frequency</b>	<b>Percent</b>
No	7	8
Yes	72	87
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.13 If the policy is linked to the strategic plans**

The respondents were further asked if the training policy was linked with strategic plans that NWSC had formulated or implemented. 64% of the respondents felt it was while 16% of them felt I wasn't. On the other hand 20% of them could not tell whether it had any relationship with the strategic plans. It can however be concluded that the employee training policy in NWSC is hinged on its strategic plans. These findings are graphically presented in figure 4.4

Figure 4.5: If the policy is linked the strategic plans



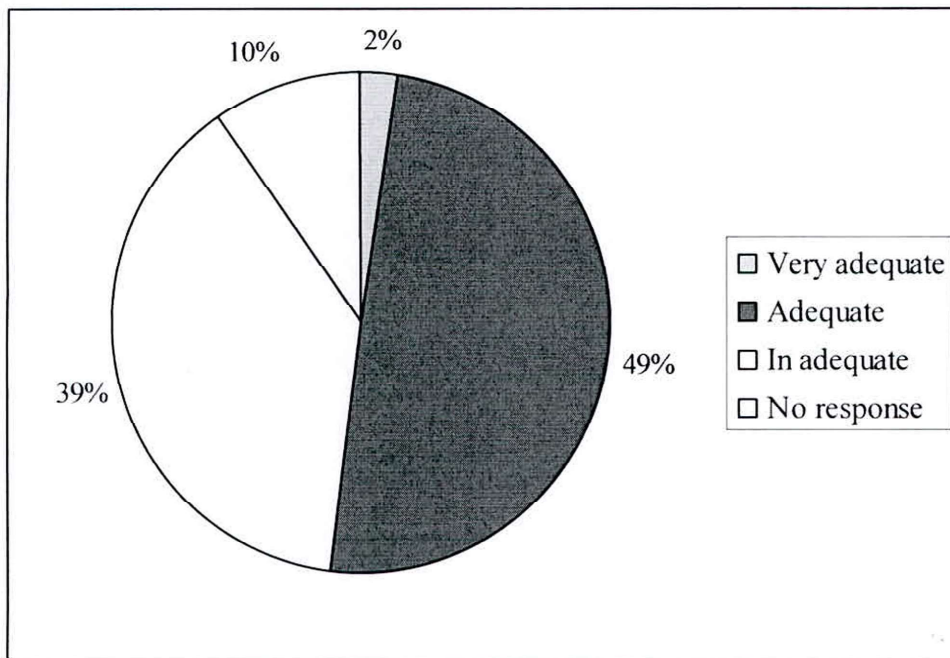
Source: Survey Data 2008

#### 4.14 Adequacy of the training

The researcher further sought to find out from the respondents how adequate the training was. 49% of them said it was adequate while 39% said it was inadequate. 10% did not respond to the item while a minority 2% felt it was very adequate. It can generally be convulsively said that the training is not adequate. This is likely to hamper successful implementation of the strategic policies NCWSC may want to implement. These findings are summarized in figure 4.6



Figure 4.6: Adequacy of the training



Source: Survey Data 2008

#### 4.15 Whether politicians are members of the executive board

It was found out from majority of the respondents (58%) that politicians occupied executive positions in NWSC. 37% of them however disagreed with this view. Those who did not respond to the item constituted a minority 5%. These findings imply that political influence is likely to have an impact in the strategic planning process and implementation of strategy. These findings are shown in table 4.7



Table 4.7: Whether politicians are members of the executive board

<b>Whether politicians are members of executive board</b>	<b>Frequency</b>	<b>Percent</b>
No	31	37
Yes	48	58
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.16 If politicians influence the implementation of Strategic Plan**

The respondents were further asked if the politicians influence the implementation of the strategic plans in NWSC. From the findings obtained, 48% of the respondents said they didn't while 42% of them said they did. 10% of them did not respond to the questions. These findings imply politicians have a considerable influence on the implementation of Strategic plans in NWSC. These findings are shown in table 4.8

Table 4.8: If politicians influence the implementation of Strategic Plan

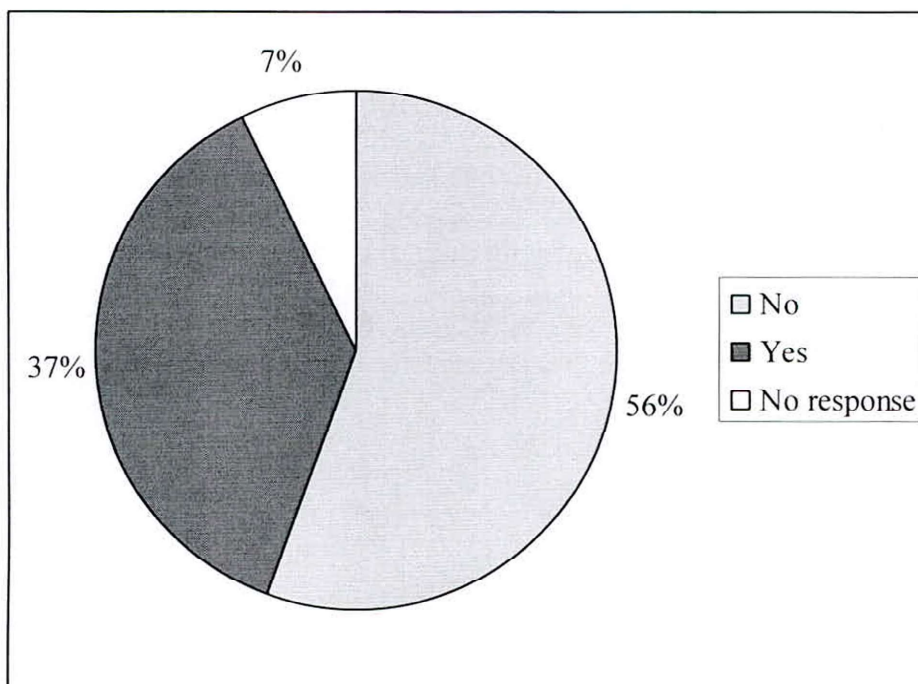
<b>Politicians' influence on implementation of SMP</b>	<b>Frequency</b>	<b>Percent</b>
No	40	48
Yes	35	42
No response	8	10
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### 4.17 If politicians influence the recruitment of employees

The researcher also sought to find out if the politicians influence in the recruitment of employees. 55% of the respondents indicated that politicians had no influence in the recruitment process while 37% of them said they had influence in the process. These findings imply that the recruitment process in NCWSC is not influenced by internal or external political forces. It is therefore expected that the NCWSC's staff are fairly and transparently recruited and that they possess the required skills. These findings are shown in figure 4.7

Figure 4.7: If politicians influence the recruitment of employees



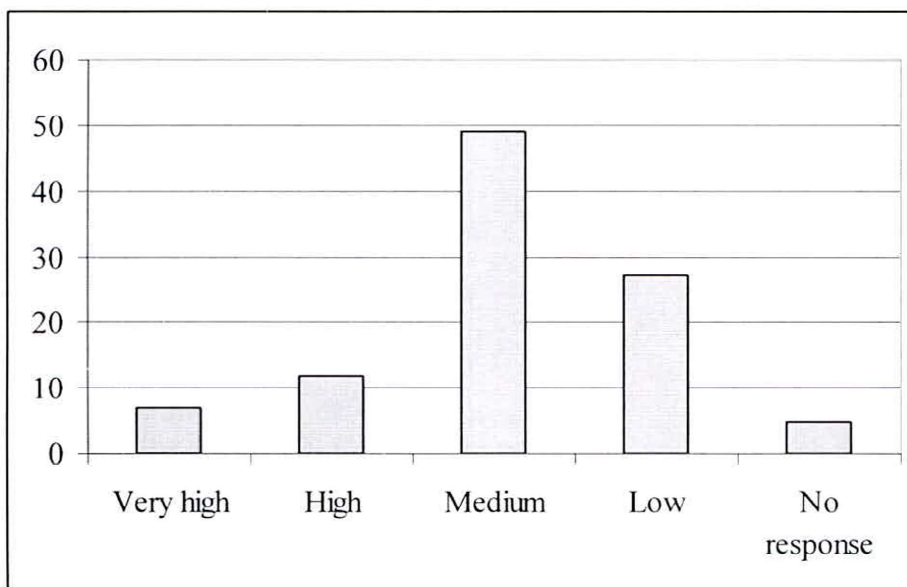
Source: Survey Data 2008

#### 4.18 Average rate of employee turnover

The study further sought to find out the rate at which employees join and leave NCWSC. From the findings, 49% of the respondents said the rate was medium while 27% said it

was low. Those who said it was high were 11% while 8% of them said it was very high. From these findings it can be concluded that the employees take a relatively long time before they leave NCWSC. This could be attributed to proper working environment or other incentives put in place by the company. As such it is possible for the employees to work with Company for long to see the fruition of various strategies put in place. These results are shown in figure 4.8

Figure 4.8: Average rate of employee turnover



Source: Survey Data 2008

#### **4.19 Length of time it takes for an employee to be replaced**

The researcher also sought to find out how long an employee takes to be replaced.

Majority of the employees (57%) indicated that it averagely took 2 months for one to be replaced after leaving NCWSC while 17% said it took just one month. The question was however not responded to by 22% of the interviewees. These findings imply that there exists a vacuum during the period it takes for an employee to be replaced. This can affect the continuity of strategic functions. These findings are tabulated in table 4.9.

Table 4.9: Length of time it takes for an employee to be replaced

<b>Time it takes to replace an employee</b>	<b>Frequency</b>	<b>Percent</b>
1 Week	4	5
1 Month	14	17
More than 2 months	47	57
No response	18	22
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.20 Presence of an induction programme for new employees**

The respondents were also asked if the company has an induction programme for the newly hired employees. Majority of them (83%) said there was one while a minority 12% said there wasn't one in place. These findings imply that employees are well inducted when they join NCWSC. These findings are shown in table 4.10

Table 4.10: Presence of an induction programme for new employees

<b>Induction program for employees</b>	<b>Frequency</b>	<b>Percent</b>
No	10	12
Yes	69	83
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008



#### **4.21 Whether the programme includes induction to the strategic management plan**

The researcher sought to find out if the induction programme includes introduction to the strategic management plan. 53% of the respondents indicated that the induction process included introduction to the strategic plan, while 34% said it did not. On the other hand 13% of them did not respond to the item. From these findings it's clear that the programme does not fully include the introduction to the strategic management programme. This negatively impacts on the implementation of the strategic management plan. It is therefore the onus of the NCWSC to ensure that the programme includes SMP. These findings are shown in table 4.11 Survey Data 2008

Table 4.11: Whether the programme includes induction to the SMP

<b>Induction to the SMP</b>	<b>Frequency</b>	<b>Percent</b>
No	28	34
Yes	44	53
No response	11	13
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.22 Whether staff changes affects implementation of strategic management plan**

The respondents were asked to state if the staff changes affect the implementation of strategic management plan. 57% of them answered in the affirmative while 39% answered in negative. It can be concluded from these findings that for successful implementation of strategic management plan staff changes should be well coordinated to prevent any succession hitch. These findings are shown in table 4.12

Table 4.12: Whether staff changes affects implementation of strategic management plan

<b>Staff changes and strategy implementation</b>	<b>Frequency</b>	<b>Percent</b>
No	32	39
Yes	47	57
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

#### **4.23 Formal handing over process**

The researcher lastly sought to find out if the company had in place a formal handing over process in place. 49 % of the respondents said there was a handing over process in place while 46% said there was none. These findings imply that a good number of employees are unaware of the existence of the process and if it exists they might not have been affected by it. These findings are tabulated in table 4.13.

Table 4.13: Formal handing over process in place

<b>Presence of formal handing over process</b>	<b>Frequency</b>	<b>Percent</b>
No	38	46
Yes	41	49
No response	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Source: Survey Data 2008

state their gender. These findings indicate that there exists a wide gender disparity between males and females working at NCWSC. These findings are tabulated in table 4.1 below.

Table 4.1: Gender of the respondents

<b>Gender of the respondents</b>	<b>Frequency</b>	<b>Percent</b>
Male	62	75
Female	18	21
No response	3	3
Total	83	100

Source: Survey Data 2008

#### **4.4 Age of the respondents**

The respondents were further asked to state their ages. It was found out from their responses that majority of them were aged between 31-35 years. They accounted for 35% of the total respondents. Those who were aged between 36-40 years made up 24% of the respondents while those who were aged between 41-45 years represented 14% of the sampled population. The rest of the age categories were each represented by a percentage ratio of less than 10%. These findings indicate that majority of the management staff at NWSC is aged between 30-45 years. This is the age stage when most workers are expected to be at the peak of their productivity. These findings imply that NWSC is not likely to face management succession crisis soon as most of its management staff are not about to attain the mandatory retirement age of 55years. It is therefore expected that the management is better placed to make long term strategic decisions as they are likely to be

## **CHAPTER FIVE**

### **CONCLUSIONS, RECOMMENDATIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

#### **5.0 Introduction**

This chapter presents the summary of the study findings, conclusion and recommendations for further research. The overall objective of this study was to analyse challenges of implementation of the strategic management plan. It carried out the investigation in NCWSC. The study intended to document possible solutions towards the challenges facing the implementation of the strategic management plan in the company.

The chapter is divided into four sections. Section one, (5.1) presents the summary of the findings based on the responses on the extent to which political influence affects implementation of the strategic management plan in NCWSC. Section two, (5.2) presents the summary of the analysis on the extent to which employee training impacts on the implementation of the strategic management plan in NCWSC.

Section three and four presents the extent to which availability of resources affect implementation of the strategic management plan and the impact of organization change on implementation of the strategic management plan in NCWSC respectively. The remaining sections of the chapter dwell on the conclusion and suggestions on areas of further research.

#### **5.1 Conclusions**

##### **5.1.1 Impact of political influence on the implementation of the SMP in NCWSC**

The study aimed at establishing the impact of political influence on the implementation of



SMP in NCWSC, in which the study identified a number of factors. As confirmed by majority of the respondents (58%), politicians are members of the executive board in the company. 42% of the respondents said that politicians influence the implementation of the strategic management plan in NCWSC. Their influence, though considerably minimal, is also felt in the recruitment of employees as ascertained by 37% of the respondents. Political influence is therefore a major challenge to the strategy's implementation process. The organization on one hand may enjoy protection or privileges from the state while on the other, transparency on recruitment issues may be jeopardized.

### **5.1.2 The extent to which employee training impacts on the implementation of the SMP in NCWSC**

The researcher also wanted to find out the extent to which employee training impacts on the implementation of the SMP in NCWSC. Key among the findings obtained showed that the company has a training programme in place for its employees. It was further said by 64% of the respondents that the programme was linked to the strategic plan of the organization. However, it was indicated by only 49% of the respondents that the training was adequate. This could pose as a challenge towards the implementation process of SMP in NWSC.

### **5.1.3 The extent to which availability of resources affects implementation of the SMP**

The study also aimed at finding out the extent to which availability of resources affects implementation of the SMP in NCWSC. The respondents were first asked if NCWSC provides resources for implementation of the strategic management plan. 87% of the respondents said resources are provided. Asked how adequate these resources were, (65%) said they were adequate. This indicates that resources provided for the implementation of the strategic management plan are not enough, a challenge which will negatively impact

on strategy implementation process.

The researcher also sought to find out if the organization consistently followed a defined set of procedures in its' strategic Planning process. Majority of the respondents, (69%) said the organization follows a defined set of procedures. The respondents were also asked to state if officers whose work might be affected significantly by strategic management plans are allowed to participate in the planning process. (54%) of the respondents said such workers are involved in the planning process. This would allow for successful implementation of the plan.

Lastly, respondents were asked their organization's view towards its' strategic management plan. 40% of them felt it was essential to business while 28% thought it was critical to the company's effectiveness. Those who felt it provided resource assistance in implementation of business plans were 7%. It was however viewed by 11% of the respondents as a necessary burden. These findings imply that NCWSC positively views the strategic management plan as evidenced by majority of the respondents. The implementation process therefore enjoys the support of all employees of NCWSC. However, as indicated by 17% of respondents that the resources are not adequate, it is imperative to say that this is a challenge to strategy implementation process, while taking into account the 7% who were not sure whether resources available were adequate or not.

#### **5.1.4 The impact of organization change on implementation of the strategic management plan in NCWSC.**

The study further endeavored to find out the impact of organization change on implementation of the strategic management plan in NCWSC. The respondents were at first asked to state the average rate of employee turnover in NWSC. It was indicated by

majority of the employees that the rate was medium. Majority of the respondents, (57%) said that it averagely took two months for an employee to be replaced after leaving the organisation. The respondents were further asked to state whether the company had an induction programme in place for new employees. (85%) of them said it had one in place 53% of them said the induction programme included introduction to the strategic management plan. The study also sought to establish whether NCWSC has put in place a formal handing-over process to which only 49% said there was one. Lastly they were asked whether the staff changes in NWSC affect the implementation of the company's strategic management plan. To this, 57% of them said staff changes affect the implementation process of the plan. This would be a challenge because new employees need time to learn the ropes of implementing the plans. This would cause delays in realizing the company's objectives.

Based on the findings, it was concluded that political influence, employee training, resource availability and organization change are among the challenges of implementation of the strategic management plan in NCWSC.

## **5.2 Recommendations**

In view of the research findings, the researcher wishes to make the following recommendations:

1. The researcher found out from 65% of the respondents that the resources provided for strategy implementation are not adequate. The organization (NCWSC) would provide more/adequate resources such as skilled labour, equipment etc so as to help successful implementation of the strategic management plan. There is also need for the management to involve employees who directly implement the



- strategic management plan in the planning process. This would promote ownership and understanding of the plan vis-à-vis the organisation's objectives.
2. As confirmed by (58%) of respondents, politicians are members of the executive board while 37% said their influence is felt in the recruitment process of employees. The influence needs to be checked by putting in place policies and guidelines on recruitment. This would promote transparency in the recruitment process and hence employ a highly qualified workforce.
  3. It was indicated by only 49% of the respondents that the training programme of NCWSC is adequate. The Company is therefore encouraged to intensify the existing training programme for the better understanding of the strategic implementation process.
  4. On staff changes, only 49% of respondents said that there was an induction process for employees joining the organisation, while 57% of them indicated that staff changes affect the implementation process of strategies. The management therefore needs to design a succession plan which would seal off the gaps arising from employees leaving the organization. This would also ensure continuity in the strategy implementation process.

### **5.3 Suggestions for further research**

In view of the limitations and delimitations of the study, the researcher makes the following suggestions for further research.

1. Further research need to be done to analyze the extent to which the strategic management plan has been implemented in NCWCS with a view to identifying successes or failures of the same.



- 
2. Further research would also be done on the impact of the strategic management plan on the performance of the organization (NCWSC).

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## Appendix 1: Questionnaire

**I am a Master of Business Administration student at Kenyatta University carrying out research on “Analysis of challenges of implementing the strategic management plan in Nairobi City Water and Sewerage Company Ltd”.**

This is to request you kindly to fill in this questionnaire by responding to the questions concerning your institution. The information gathered shall be treated in confidence and shall be used for this research only.

Date \_\_\_\_\_

### SECTION A: Personal/Organization Details

1. Department.....
2. Gender of the respondent:      Male       Female
3. Age of the respondent
  - (i) 20 – 25 years
  - (ii) 26 – 30 years
  - (iii) 31 – 35 years
  - (iv) 36 – 40 years
  - (v) 41 – 45 years
  - (vi) 46 – 50 years
  - (vii) 51 – 55 years



4. Level of Education

- (i) No formal education
- (ii) Diploma Level
- (iii) Undergraduate
- (iv) Post-Graduate
- (v) Other (Specify).....

5. Position in the organization

- (i) Union cadre
- (ii) Standard Terms
- (iii) Senior Standard terms
- (iv) Executive

**Section B Availability of resources**

6. Does your organization provide resources for implementation of the strategic management plan? Yes

No

If yes, how adequate are the resources?

Very adequate

Adequate

Inadequate

Very inadequate

7. Does your organization consistently follow a defined set of procedures in its' strategic

Planning process? Yes  No

8. Do officers whose work might be affected significantly by strategic management plans

Participate in the planning process?

Yes

No

9. What is your organization's view towards its' strategic management plan?

(i) Necessary, but a burden

(ii) Resource assistance in implementation of business plans

(iii) Essential to business

(iv) Critical to organization's effectiveness

10. In your opinion what are the obstacles towards implementation of the strategic management plan in your organization?

.....  
.....  
.....  
.....

**Section C: Employee Training**

11. Has your organization formulated an employee training policy?

Yes

No

12. If yes in (16) above, is the training policy linked to the strategic plans of your organization? Yes

No

13. How adequate is the training?

Very adequate

Adequate

Inadequate

Very inadequate

**Section D: Political Influence**

14. Do you have politicians as members of the executive board in your organization?

Yes

No

15. If yes in (19) above, which position(s) do they occupy?

.....

.....

.....

.....

16. Do the politicians influence the implementation of the strategic plan in your organization?

Yes

No

17. Do politicians influence the recruitment of employees in your organization?

Yes

No

**Section D: Organization Change**

18. What is the average rate of employee turnover in your organization?

Very high

High

Medium

Low

19. Averagely, how long does it take for an employee to get replaced after leaving your organization?

1 week

1 month

More than 2 months (Specify).....

20. Has your organization put in place a formal handing-over process?

Yes

No

21. Do you have an induction programme for new employees in your organization?

Yes

No

22. If yes in (26) above, does the programme include introduction to the strategic management plan?

Yes

No

23. Do the staff changes in your organization affect the implementation of your organization's strategic management plan?

Yes

No

