

**STRATEGIC MANAGEMENT AT KENYA RURAL ROADS**

**AUTHORITY**

**BY**

**EUNICE WANGARI NGATIA**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF  
BUSINESS IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINSTRATION OF UNIVERSITY OF NAIROBI**

**OCTOBER 2011**

## DECLARATION

I hereby declare that this is my original work and has not been submitted to any other academic body.

Sign:  Date 4/NOV/2011

**EUNICE WANGARI NGATIA**

**D61/71233/2008**

## SUPERVISOR

This Research project has been submitted for examination with my approval as the Supervisor.

Sign:  Date 04-11-2011

*for* **DR. JAMES GATHUNGU**

**LECTURER, DEPARTMENT OF BUSINESS ADMINISTRATION**

**SCHOOL OF BUSINESS**

**UNIVERSITY OF NAIROBI**

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I hereby declare that this is my original work and has not been submitted to any other academic body.

Sign: Eunice Date 14/NOV/2011

**EUNICE WANGARI NGATIA**

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## ACKNOWLEDGEMENT

First and foremost I would like to most sincerely thank the Almighty God for giving me the strength and resources to enable me pursue this degree course.

I am greatly indebted to the management of Ngummo Kenya holdings and Kenya Rural Roads Authority for their support in the course of my study and also for Kenya Rural Roads Authority's contribution to my research work.

I am most sincerely thankful to my Supervisor Dr. James Gathungu who walked with me through my research work. His positive criticism, suggestion and forbearance made this Project a success.

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The study adopted a case study. Data collection was done through interview guide. The respondents of the study were the Director General, Three General Managers, Ten Managers and Ten Road superintendents and six other senior officers in the Authority. The content analysis technique was used to analyze data collected.

The study revealed that KeRRA had adopted strategic management and engaged senior managers as strategic management leaders, training of staff to acquire more expertise in their area of specialization, rural road authority's employees taking ownership and responsibility for their work.

The study concluded that enhanced private public partnership, provision of a framework for managing the citizen side of change, improved disbursement of funds, developing skills and knowledge to support the change, division in function and structures, recruitment of high qualified personnel, road reforms, increase in the funding of road sector and incorporation of other stakeholders in the daily operations have led to enhanced service delivery.

The study concluded that KeRRA faces challenges such as staff degree of resistance, resource insufficiency, political interference, lack of trust in the change by employees and inadequate information technology. The study recommends that government parastatals should adopt strategic management so as to formulate reforms, enhance management of authorities and policies into action through the development of specific budgets and procedures.



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## **LIST OF ABBREVIATIONS**

**KeRRA** - Kenya Rural Roads Authority

**GDP** - Gross Domestic Product

**GE** -General Electric



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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Economic recovery and sustained growth is acknowledged as the mechanism by which the lives of Kenyans will be improved and the indicators identified in the Millennium Development Goals achieved. A vibrant transport sector is a key pillar of economic growth. In Kenya, road transport is the predominant mode of transport. The road network has for a long period not been in the condition that is required to promote and spur economic growth. The government, having reviewed the various options over recent years finally implemented a complete restructuring of the roads sub-sector as a measure to provide an improved and better roads network system. The government therefore sought to carry out a change management programs to transform the public service from process oriented to citizen/client focused.

The different perceptions to change come because of the difference in the background of government staff and their perception of the change outcome in the government structures. Strategy management in the Kenya roads authorities is important in that infrastructure is a key driver of any economy and a very important element in achieving Kenya's Vision 2030.

#### **1.1.1 Strategic Management**

Strategic management is defined as that set of managerial decisions and actions that determines the long-run performance of a corporation, and includes aspects such as environmental scanning, strategy formulation, strategy implementation, and evaluation and control. It is designed to set a firm's courses of action, identifying the strategies it

will use to compete in the market-place and how it will organize its internal activities. Strategic management has evolved as an interdisciplinary corpus of knowledge (Pearce, (1997). Strategic thinking is still an emerging field of study and as such embodies several different schools of thought and methods. One common feature shared by the different approaches is that strategic thinking is utilized by that organization to plan for the future using a range of analysis techniques and decision-making processes. As such, it has become a common activity for many types of organizations and in many industries, mostly as a result of increasingly competitive behavior (Dent and Barry, 2004).

According to Ansoff (1990), strategic management is concerned with broad, long-term future of an organization and the way it will prepare for change to the extent that change is perceived as being a necessary prerequisite of future continued success. Strategic decisions and plans are thus subject to greater uncertainty than either administrative or operational decisions. Strategic management has a co-ordination and integration role, seeking endorsement of the public sector and supporting strategies such as HR workspace and IT and assuring the appropriateness of strategic themes. The task of strategic management, in collaboration with government partners, is to manage the continuous processes of maintaining an appropriate relationship between the public sectors and its environment and preparing the government for an uncertain future (Kazmi, 2002)

While many schools of strategic thought exist, at the normative level there is general agreement in the literature on the strategic process, i.e. the process of designing and implementing strategy. The strategic process can be divided into three main areas of activity: strategic formulation, strategic implementation and strategic evaluation

(Thompson and Strickland, 1999), although Henry *et al* (1998), would argue that this division into three areas is more convenient than realistic and consequently promote a holistic view of the entire process.

Over the recent years the Public Service Reforms in Kenya has greatly improved with an aim of addressing three challenges facing the government which include diseases, poverty and illiteracy. The reform strategies the government has adopted since 2003 in order to improve service delivery in the public service include Rapid Results Approach, Performance Contracting, Citizen Service Delivery Charters, Transformative Leadership, Values and Ethics and Institutional Capacity Building (Njiru, 2008).

### **1.1.2 Kenya Rural Roads Authority**

Kenya Rural Roads Authority is a State Corporation whose mandate is to offer guidance in the construction, maintenance and management of the rural road network in the country. KeRRA is responsible for the management, development, rehabilitation, and maintenance of rural roads D, E and Others. The works under the Roads 2000 maintenance program focuses on the rural access roads and other minor roads. Many of these access and minor roads are in dilapidated yet they feed into secondary and tertiary roads i.e., C, D, E and other roads.

Objectives of Roads 2000 maintenance strategy is to increase the network of all weather and all season roads and improve accessibility ,bring road network back to a maintainable condition and to create maintenance capacity by training of labour based contractors and ministry staff as well as to generate employment through the use of labour - based methods and appropriate technology. Currently KeRRA is carrying road works through

Road 2000 program in the Rift valley provinces (Eight Districts), Coast, Eastern and Nyanza provinces. Some of these projects are ongoing, while others are complete.

The government has expressed its intention to increase private sector participation in the provision of infrastructure services to rehabilitate the national infrastructure. The infrastructure sector has been identified as one of the beneficiaries from this venture due to the important role quality infrastructure plays in national development

## **1.2 Research Problem**

Strategic management is an on going process to develop and revise future-oriented strategies that allow an organization to achieve its objectives considering its capabilities, constraints and the environment in which it operates. Diagnosis includes performing a situation analysis including identification and evaluation of current mission, strategic objectives, strategies and results plus major strengths and weaknesses. Strategic management is a broad programme of defining and achieving an organization's objectives and the organizations response to its environment overtime (Stoner and Edward, 1989). Programme in this definition means an active conscious and rational role played by managers in formulating the organizational strategy. Strategic management therefore entails planned management activities engaged in, so as to realize pre-determined objectives outlines for a particular organization or business.

The entire process has to involve people from the beginning to the end by making the stakeholders buy into the change process and own the process itself. Change must be

managed because it is disruptive and alters the equilibrium of operations. It results in a paradigm shift and causes variations in the status quo (Nyambok, 2005).

Kenya Rural Roads Authority is charged with the responsibility of providing basic infrastructure facilities to the public. Mandated under the Ministry of Roads, KeRRA is in line with the ministry's mission to facilitate provision and maintenance of quality road works so as to promote and sustain socio-economic development. Strategic Management therefore plays a crucial role in ensuring effectiveness and efficiency in service delivery. This suggests that if the public transport corporations are managed the same way private transport operators managed their corporation, then, we can be assured that the public transport corporations will be able to weather the storm and remain afloat no matter what happens in the external environment (Moore, 2000).

Locally, a few studies have been done on strategic management. Mwangi (2008) investigated strategic management in the Kenya Red Cross society, she found out the management used strategic management to determine the long-run performance of a corporation. She suggested further research be done within public organizations in Kenya. Arithi (2001) ,determined the application of strategic management in accounting by large manufacturing companies in Nairobi, he found out that strategic management applied in accounting were carrying out accounting operation in line with organization's mission, vision and objectives, developing policies and plans to enhance accounting systems in firms. Wanjiku (2009), Implementation of the balanced scorecard as a strategic management tool at Insurance Company of East Africa. She found that strategic management tools were critical in assisting firms make effective decisions and strategies by staying alert to the threats and opportunities in an uncertain and dynamic environment.

Bwibo (2000) carried out a study on a survey of strategic change management practices within non-governmental organizations in Kenya. Ongaro (2004), strategic change management practices in Kenyatta national hospital and found out that strategic practices include strategy formulation, implementation and evaluation.

Despite the role of strategic management in organizations, local scholars have concentrated on strategic management practices and strategic planning and not on strategic management as a process in its entirety and none done in regard to road authorities. This study needed to bridge the knowledge gap by looking for answers to the following research questions, “To what extent has KeRRA employed strategic management and what are the challenges faced by KeRRA in strategic management process?”

### **1.3 Research Objectives**

The following were the objectives of the study:

- i. To determine the extent to which KeRRA has employed strategic management.
- ii. To establish the challenges faced by KeRRA in strategic management.

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

This research study would assist the management of parastatals in pointing out the specific areas of improvement in strategic management that would lead to achieving priority needs of KeRRA. The study will also help the government institutions adopt strategic management processes in achieving the role that would contribute to success in government parastatals. The study would be valuable to other non governmental

organization as they would gain insight the importance of strategic management processes and cope with environments change, survive and become effective and enhance its adaptations to the changing situations and continue carrying their operations successfully

Scholars and researchers would find this study valuable as scholars could use the study to gain more knowledge on strategic process as well as forming a foundation from which further study can be undertaken.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter discusses the various pieces of existing theoretical and practical knowledge related to this study. Issues on strategic management have been reviewed focusing on the concept of strategic management, nature of strategic management, strategic management models, role and challenges of strategic management.

### **2.2 Development of strategic management**

The field has gradually evolved through various stages: from general management where major focus was on business policy and strategic planning traditions, an approach based on the common-sense experience of the executives and not so much on theory and research. The 1960s and 1970s saw the emergence of the analytical approach which entailed much systematized approaches to planning and focused on managers analyzing the organizational environment then making rational analysis or alternatives. This was followed by the development of two streams namely strategy content and strategy process. The former is concerned with the nature of different strategic options while the latter is concerned with processes such as strategic decision making and strategic change. Today more approaches continue to develop including among others the complexity theory, the strategy discourse and strategy as practice with great focus on the private sector

Numerous studies have been conducted from as early as the 1970s seeking to understand what strategy is and the role that strategic management plays in the success of

organizations. Whereas there is no one agreed upon definition, various definitions have been advanced specifically with a focus on the private sector. Strategy has been defined as, “the direction and scope of an organization over the long run, which ideally matches its resources to its changing environment particularly markets, customers and clients so as to meet stakeholder expectations (Michael and John 1998).

The strategic management process is underpinned by the principle that organizations should continually monitor the internal and external environmental trends so as to make timely changes that are necessary for their survival. It is aimed at allowing organizations to adapt effectively to change over the long run and to be proactive rather than reactive in shaping their own future. It allows an organization to have control over its future since it fosters initiating and influencing activities rather than just reacting.

Research, mainly in the private sector, has shown that organizations using strategic management concepts are more profitable and successful than those that do not, and that strategic management offers several intangible benefits including an enhanced awareness of external threats, an improved understanding of competitor’s strategies, and increased employee productivity among others. These definitions and benefits of strategy highlighted above focus mainly on the business sector. Some schools of thought argue therefore that they emphasize features that are unfamiliar to the language, purpose and practice of the nonprofit sector (Chandler, 1962).

A critical determinant of successful government is the ability to make good decisions, and manage their implementation. Modern government is complex and therefore requires thousands of decisions to be taken and acted upon each day. The compound effect of

these decisions is enormous, due to the size and pervasiveness of government. The dramatic decline of New Zealand's fortunes during the 1970s and early 1980s exposed the inherent flaws in our version of the traditional model of centralized government decision-making and management (Courtney, 2002).

The shift from centralized regulation to decentralized management was the defining event in New Zealand's public sector reform. Deregulation of the public service compelled managers to move from a passive compliance mentality to an active management mentality. The contractual emphasis in the New Zealand model pushed the need for intelligent decisions on resource allocation down through the administrative chain to the point at which services are delivered. This forced managers at every level to focus on the Government's objectives, to manage the risks to those and to become more responsive to the requirements of the recipients of their services. Freedom of information legislation, introduced prior to the reforms, was instrumental in changing attitudes to the value of information, and in improving the volume and quality of information about government. Decisions at all levels are now based on better information, better budgeting processes and a longer time frame (Hill and Jones 2001).

The process of clarifying objectives and then demanding good quality information on their achievement illuminated what public servants actually do and assisted decisions around resource allocation, notably during a period in which government was reduced in size. However, there are limits to the gains to be had through specification and monitoring. While the reforms made government more manageable, they did not in themselves ensure that decisions affecting the longer-run interests of government as a whole were properly balanced against the particular interests of the component parts. The

devolved management system tended to obscure the fact that government is a single enterprise, which should be unified around commonalities of purpose, behaviour, management standards and reputation. Re-building commitment to the collective interests of government was an early priority of the National Government after it was first elected in 1990 (Johnson and Scholes, 2002).

### **2.3 The Nature of Strategic Management**

According to Fred (2005), strategic management is a process and it consists of three main steps which are; strategy formulation, strategy implementation, and strategy evaluation. This process is underpinned on the principle that organizations should constantly monitor the internal and external dynamics and trends so as to make timely changes as and when needed. Given the significant increase in the rate and scale of changes that affect organizations, the latter must be capable of shrewdly identifying and adapting to change; a role that strategic management plays as it allows organizations to adapt effectively to change over the long run (Miller and Cardinal, 1994).

The first step of Strategy formulation involves the development of a vision and mission, identification of an organization's external opportunities and threats, determination of the internal strengths and weaknesses, establishment of long-term objectives, generation of alternative strategies, and choosing of the particular strategies to be pursued. At this stage the organization makes among others, decisions about "what new businesses to go into", "what business to discard", "how to allocate resources" and "whether to expand operations or diversify". Given the limitation of resources the organization has to decide which strategies will benefit the firm most. Decisions made during this stage of strategy

formulation commit an organization to specific products, markets, resources, and technologies over an extended period of time and the identified strategies are aimed at determining long-term competitive advantages (Fred, 2005).

The second step of Strategy implementation, often called the “Action Stage of strategic management” is about mobilizing employees, managers and other resources to put the formulated strategies into action. It involves the establishment of annual objectives, preparation of operational plans and budgets, establishment of policies, and allocation of resources for the execution of the strategies. Similarly this stage entails the development of a culture that is supportive to the strategy execution, the creation of an organizational structure aligned to the strategy, the redirection of marketing efforts, the development and use of ICT and other systems, and the motivation of employees including linking employee compensation to organizational performance (Gregory and Peter, 2002)

The third and final step of Strategy evaluation is about measuring the progress so far attained and informing the managers whether the strategies are working well or not. Given that the external and internal factors are constantly changing, this necessitates regular modification of the strategies so as to ensure they are suitable to this dynamic environment (Pearce and Robinson, 2007). This stage thus involves reviewing the external and internal factors that are the underpinning for current strategies; measuring performance; and taking corrective actions as and when necessary.

#### **2.4 Strategic management Models adopted by Organizations**

Firms use strategic management models to improve their performance. Therefore these firms require having long-term plans as well as short term plans like budgets and yearly

plans (Yabs, 2007). They use strategic management models in making firms contributing to efficiency, effectiveness, accountability and professionalization in service delivery. In reviewing the literature available it is worth highlighting that very little research has examined the applicability of strategic management concepts in the public institutions and adopt strategic management techniques which included SWOT analysis, Financial Analysis, BCG Matrix, Value Chain Approach, Intellectual Capital, Resource-based view and core competency, Industrial Organization, knowledge-based view, and Balanced Scorecard are among strategic management tools been considered for adoption by organization (Fred, 2005).

A SWOT analysis represents an evaluation of how well the resources of the organization match the needs of the environment in which the firm operates and competes. It entails analyzing the internal and external context looking at Strengths, Weaknesses, Opportunities and Threats of an organization and is particularly essential in nonprofits as they often operate under financial constraint (Hill and Jones, 2001). SWOT analysis is simple to adopt with basically no investment required to use it and very little specialized skill involved in facilitating the strategy formulation process. Nevertheless the SWOT analysis has been criticized for being overly simplistic and generalizing, and for often being reduced to random lists involving typical procedural guidelines with no explicit theoretical underpinnings, thus generating potentially misleading results in the strategic management process (McNally, 1994).

Financial Analysis is also used which refers to the use of financial methods to analyze the actual status of the firm in the results of its operations. The information given by financial methods assists managers in their decision-making by allowing the comparison

of current performance with the performance in the past. It also allows managers to benchmark their performance with other firms within the same industry. The most commonly used are liquidity ratios, leverage/gearing ratios, activity ratios and profitability ratios (Johnson and Scholes 2002.)

Boston Consulting Group Matrix approach is also known as Growth or Share Index and it allows a firm to classify its business portfolios into the best income earners “cash cows”, those that do not give much “Dogs”, other portfolios that are still not clear “Problem Child”, and those that are doing well and growing to earn more “Stars”. (Yabs, 2007)

Value Chain Approach Porter (2004) indicated that this approach provides a systematic way of viewing and analyzing the series of activities performed by the firm to provide its goods and services in the most competitive way. It divides the function of the firm into value activities grouped into two broad types; - primary activities (including inbound logistics, operations, outbound activities and marketing, sales and service activities); and support activities (including procurement, technology development, human resources management and firm infrastructure activities) (Hamel and Prahalad, 2003).

The General Electric Matrix Model is a business portfolio is the collection of businesses and products that make up the company. The best business portfolio is one that fits the company's strengths and helps exploit the most attractive opportunities (Johnson and Scholes, 2002). Analyze its current business portfolio and decide which businesses should receive more or less investment, and Develop growth strategies for adding new

products and businesses to the portfolio, whilst at the same time deciding when products and businesses should no longer be retained (Kirkpatrick and Ackroyd, 2000).

An SBU is a unit of the company that has a separate mission and objectives and that can be planned independently from the other businesses. An SBU can be a company division, a product line or even individual brands it all depends on how the company is organized (Pearce, 1997). The McKinsey/GE Matrix overcomes a number of the disadvantages of the BCG Box. Firstly, market attractiveness replaces market growth as the dimension of industry attractiveness, and includes a broader range of factors other than just the market growth rate. Secondly, competitive strength replaces market share as the dimension by which the competitive position of each SBU is assessed (Moore, 2000).

Resource allocation recommendations can be made to grow, hold, or harvest a strategic business unit based on its position on the matrix as follows. Grow strong business units in attractive industries, average business units in attractive industries, and strong business units in average industries, hold average businesses in average industries, strong businesses in weak industries, and weak business in attractive industries and Harvest weak business units in unattractive industries, average business units in unattractive industries, and weak business units in average industries (Pearce and Robinson, 2007).

There are strategy variations within these three groups. For example, within the harvest group the firm would be inclined to quickly divest itself of a weak business in an unattractive industry, whereas it might perform a phased harvest of an average business unit in the same industry (Schein, 1993). While the GE business screen represents an improvement over the simpler BCG growth-share matrix, it still presents a somewhat



limited view by not considering interactions among the business units and by neglecting to address the core competencies leading to value creation. Rather than serving as the primary tool for resource allocation, portfolio matrices are better suited to displaying a quick synopsis of the strategic business unit (Stacey, 2003)

## **2.5 Role of Strategic Management**

Numerous research studies have been conducted mainly in the private sector to explore the benefits of strategic management in the performance of organizations and several financial and nonfinancial benefits have been documented. Findings have shown that organizations using strategic management concepts are more profitable and successful than those that do not (Miller and Cardinal, 1994), and that strategic management offers other intangible benefits among others an enhanced awareness of external threats, an improved understanding of competitor's strategies, and increased employee productivity, reduced resistance to change, a clearer understanding of performance-reward relationship.

Overall, as highlighted by Fred (2005), the main benefit of strategic management has generally been to help organizations formulate better strategies through using a more systematic, logical, and rational approach to strategic choice. Strategic management allows an organization to be more proactive than reactive in shaping its own future as it allows an organization to initiate and influence (rather than just respond to) activities and thus to exert control over its own destiny. Whereas this continues to be a major benefit of strategic management, research studies now also indicate that what benefits the

organizations' performance more is the process, rather than the decision or document (Michael and John, 1998).

Strategic management enhances problem prevention capabilities of organizations because it promotes interaction among managers at all divisional and functional levels, empowers managers and employees, provides a basis for identifying and rationalizing the need for change to all managers and employees of a firm; helps them view change as an opportunity rather than as a threat (Porter, 1996).

The strategic management process gives a degree of discipline and formality to the management of a business and provides an objective view of management problems whilst also allowing major decisions to better support the established objectives. It provides a framework for improved coordination and control of the activities of a firm, for the identification, prioritization and exploitation of opportunities, and for the effective allocation of time and resources to the identified opportunities. It minimizes the resources and time to be spent correcting erroneous or ad hoc decisions (Fred, 2005).

Whilst creating a framework for internal communication among staff strategic management helps provide a basis for clarifying individual responsibilities, integrating the behavior of individuals into a total effort, and entrenching a cooperative, integrated and enthusiastic approach to dealing with problems, opportunities as well as change (Kirkpatrick and Ackroyd, 2000)

When it comes to financial performance, research indicates that organizations that use strategic management concepts are more profitable and successful than those that do not (Schwenk and Schrader, 1993). Businesses using strategic management concepts show

significant improvement in sales, profitability, and productivity compared to firms without systematic planning activities. High-performing firms tend to do systematic planning to prepare for future fluctuations in their external and internal environments (Michael and John, 1998). Firms with planning systems more closely resembling strategic-management theory generally exhibit superior long-term financial performance relative to their industry. High performing firms seem to make more informed decisions with good anticipation of both short and long term consequences (Schwenk and Schrader, 1993).

Strategic management involves managers using different strategies to get maximum performance from workers and business processes. Managers consider the impact of each decision, and decisions that might detract from other objectives are abandoned. Before a decision is finalized, it might be considered by multiple players in the organization. Diverse perspectives help the organization adopt a well-rounded approach to managing work. (Hamel and Prahalad, 2003)

Perhaps the most promising development is the emergence of sectoral strategy. Given the way in which strategic result areas are framed: high-level, medium term and cross-portfolio, sectoral co-ordination is essential if strategic objectives are to be achieved. Because it is largely unmapped territory, the emergence of sectoral strategy has prompted some quite innovative approaches (Pearce, 1997). The environmental agencies have formulated a "green package" of priorities and advocated an "environmental envelope" of new spending to achieve them. Research and technology related agencies are working towards a GDP-linked spending target, and are trying to ensure that all relevant

expenditure in department budgets is identified for the purposes of counting against that target. In the area of border control and biosecurity, effort has been applied to developing sectoral policy principles which can be consistently applied through the key result areas for individual departments. The development of sectoral strategy has already led to improved information flows, more substantial consultation with commercial interests and non-profit organizations, greater clarity about the organization operations in the ever changing environment (Courtney, 2002)

Government's vision and priorities and a surprisingly powerful synergy among agencies with a history of sometimes fractious relationships. Strategic decisions are made using a model; managers align workers, routines and resources with company goals and policies. Managers make routine decisions using a decision matrix or a flowchart, or according to policies and procedures manuals, to ensure standardized quality of products and services. In other models, workers and managers might have more discretion. Strategic management involves studying how decisions help the organization achieve its goals (Henry, 2004).

Chief executives have become the Government's business partners, responsible both for helping to shape the broader policy environment and for making real progress towards specific objectives. Their role compels them to contribute to the spectrum of the Government's interests, beyond their organizational boundaries. The specification for the ideal chief executive is changing, favoring persons who can see the big picture and convey that to their organization, who have an entrepreneurial bent, who feel comfortable in common space and are able to make connections between their business needs and that space (Kotter, 2005).

A strategic management system must include a high degree of flexibility. Even when managers use a decision matrix or another model for making decisions, they need flexibility to break from the model when business conditions demand it. For example, a customer service manager can approve a special refund for a long-time customer so that he will continue to do business with the company even when customer service reps cannot automatically issue refunds to customers (Michael and John, 1998).

Approach to decision-making is the premium it places on identifying and strengthening core competence. Melissa, Bigelow and Crittenden (2002) propose that government's essential competence lies in its ability to, make quality long-term decisions, create and distribute knowledge, implement decisions effectively and mediate amongst competing interests. Strategic government also means good government, since the quality of government will increasingly determine international competitive advantage. While efficiency is a necessary condition of wider prosperity and influence, it is not sufficient. Enduring prosperity requires societies that are safe, ordered and honest (Ashcraft and Robert, 2007).

## **2.6 Challenges in Strategic Management**

Due to the dynamics in the external environment, many organizations find themselves in nearly continuous change. The scope reaches from smaller change projects in particular sub business units up to corporation-wide transformation processes (Mullins, 1999). Unfortunately, not every strategic management process leads to the expected results. There are multiple reasons for potential failure: Typical barriers to change are unexpected changes in the external conditions, a lack of commitment in implementation,

resistance of people involved, or a lack of resources. The implications of failed change projects go beyond missed objectives. More important is the negative symbolism and the de-motivation of people involved (Nutt and Backoff, 1992).

People within the strategic management team may become dissatisfied with their own performance or with the lack of support they received. In the result, some of them will probably never again be willing to commit themselves to change initiatives. Similarly, people affected by the (failed) change effort will develop growing skepticism. They might perceive future change projects as “another fancy idea from strategic management”, which brings a lot of work and few benefits (Rosebeth, 1999).

To overcome the limitations of this top-down approach Gregory and Peter, (2002) argued that there is a need to develop change management practices, which can promote an appreciation of the tactics and processes of change. However, Henry, (2004), notes that it will not be easy to construct an acceptable, bottom-up vocabulary of change. Indeed, there are serious disincentives to the production of a bottom-up vocabulary of change (Harris and Moran, 1996).

Industrial progress finds one of its greatest handicaps in the frequent resistance of both management and workers to change of any sort (McNally, 1994). When the word resistance is mentioned, people tend to ascribe negative connotations to it. This is a misconception. There are many times when resistance is the most effective response available. That resistance can play a useful role in an organizational change effort certainly stands juxtaposed to a traditional mindset that would view it as an obstacle that is normally encountered on the way to a successful change process. Nevertheless, it is a

conclusion reached by a variety of authors who suggest that there are a number of advantages of resistance. When managed carefully, these advantages can in fact be utilized by the organization to greatly assist change. First of all, resistance points out that it is a fallacy to consider change to be inherently good. Change can only be evaluated by its consequences, and these cannot be known with any certainty until the change effort has been completed and sufficient time has passed (Torres, 2004).

As such, resistance plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps plain wrong. Either way, it is the organization's method of communication, therefore attempting to eliminate resistance as soon as it arises is akin to shooting the messenger who delivers bad news. Specifically, management can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful as a symptom if management diagnoses the causes for it when it occurs rather than inhibiting it at once (Burnes, 1998).

Organizational culture is a concept which describes the attitudes, experiences, beliefs and values of an organization. It has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Cultural differences have a huge impact on human behaviour and hold potential for misunderstandings in business contacts, which might become barriers to change in an organization. According to Johnson and Scholes (2002), social processes can also create rigidities if an organization needs to change their strategy.

According to Meyer and Stensaker (2006) organizations need to develop capacity for strategic management, by allocation and development of change and operational capabilities that sustain long term performance. They argue that making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term, and capabilities to maintain daily operations (Miller, 1987).

## 2.7 Summary

The traditional approach to strategic development is that firms should adapt to their environments. According to deterministic view, good management is associated with determining which strategy will best fit environmental, technical and human forces at a particular point in time and then working to carry out that strategy.

The principle of enactment assumes that organizations need not submit to existing forces in the environment, they can create their environments through strategic alliances with the major external forces which include stakeholders, investments in leading technologies, political lobbying and a variety of other activities.



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## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter sets out various stages and phases that were followed in completing the study. It involved a blueprint for the collection, measurement and analysis of data. In this section the research identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections include research design, data collection and finally data analysis.

### **3.2 Research Design**

This study was conducted through a case study. A descriptive survey research to obtain information that describes existing phenomena by asking individuals about their perceptions, attitude, behavior or values (Mugenda and Mugenda 2003). Descriptive research portrays an accurate profile of persons, events, or situations. It generated detailed information regarding the key aspects in order to develop a profile of the phenomenon. Facts were generated from experiences and observations.

### **3.3 Data Collection**

The researcher used an interview guide as primary data collection instrument (Mugenda and Mugenda 2003). The interview guide consisted of open-ended questions aimed at obtaining information on effects of restructuring on employee's motivation. An interview guide was used to collect more information which was administered to Director General,

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The interview guide was administered through personal interviews .Personal interviews were advocated as they have the potential to yield the highest quality and quantity of data compared to other methods because supplementary information could be collected in the course of the interview.

### **3.4 Data Analysis**

Before processing the responses, the completed interview guide was edited for completeness and consistency. Content analysis technique was used to analyze the data collected. This was a systematic detailed qualitative description of the objectives of the study. It involved observation and detailed description of objects, items or things that comprise the study. This method made it possible to analyze and logically group the large quantity of data and compile the rest of the study. The researcher used the data to present the research findings in respect to strategic management in KeRRA. The data was presented in prose for easy understanding and interpretations.

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## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter presented the discussion and conclusion of the study. The primary data was collected using interview guide and analysis through content analysis to establish strategic management in KeRRA.

### **4.2 Strategic management at KeRRA**

The interviewees were requested to indicate whether KeRRA had formulated a vision, from the findings, the study found that management of the KeRRA had vision to be a provider of an adequate, quality, safe and efficient rural road network. The interviewees indicated that the mission statement for the authority was to construct maintain and manage the rural road network for sustainable socio-economic development. Core values being integrity, leadership, creativity, teamwork, reliability in delivery of service, environmental and social stewardship.

The interviewees were requested to indicate whether KeRRA'S vision has been changed since it was formulated. From the findings, the interviewees indicated that the KeRRA vision and mission statement had not been changed stating that the vision and mission statement are stipulated in the KeRRA strategic plan that cover five years and the authority was constituted three years ago.

The interviewees were requested to indicate whether KeRRA had adopted strategic management. From the findings, the interviewees indicated that KeRRA has adopted strategic management to be able to carry out its mandate of offering guidance in the

construction, maintenance and management of the rural road network in the country and management of development, rehabilitation, and maintenance of rural roads class D, E and Others

The study requested the interviewees to indicate the goals and aims of KeRRA. From the findings, the respondents indicated that objectives of KeRRA in maintenance strategy was to increase the network of all weather and all season roads and improve accessibility, bring road network back to a maintainable condition and to create maintenance capacity by training of labour based contractors and ministry staff as well as to generate employment through the use of labour based methods and appropriate technology. KeRRA aims at improving rural roads as quality roads infrastructure plays greater role in national development

The respondents were requested to indicate the benefits of strategic management in KeRRA. From the findings, the respondents indicated that strategic management in KeRRA helps maintain an appropriate relationship between the rural road authority's partners like donors, government and the community in provision of better rural roads. Strengthening the existing framework and accelerating the speed of implementation which include raising efficiency and quality, benchmarking infrastructure facilities with globally accepted standards.

The respondents also indicated through strategic management private sector participation is enhanced. Restoration of economic growth within the context of a stable macroeconomic framework, expansion of infrastructure and poverty reduction improving governance especially with inclusion of programs like Kazi Kwa Vijana.

The interviewees were requested to indicate whether KeRRA carry situation analysis to reach out its objectives. From the findings, the interviewees indicated that KeRRA management undertakes situation analysis which involved looking at the Rural Road Authority's external and internal environments and the context in which the rural road authority fits in those environments.

The interviewees indicated that the rural road authority investigating how the government formulates the road regulations in the countries, the rural road authority's management partnering with the donors and open tender system that gives all contractors a chance. Situational analysis also requires directors to consider which rural road authority's needs are not being met. The situation analysis, the interviewees indicated that the rural road authorities were in a position of identifying the challenges facing authorities and involve political interference, resources availability, staffing, employee performance, rural road construction projections and many others. The interviewees as indicated that through situation analysis the management of KeRRA carry out assessment of stakeholder power and the impact of KeRRA culture on strategic decision-making are also important areas for analysis and choice of strategic alternatives.

The interviewees were requested to indicate to whether KeRRA has undertaken any reforms since its formulation. From the findings the interviewees indicated that reforms that have taken place in KeRRA are engaging senior managers as strategic management leaders, training of staff to acquire more expertise in their area of specialization, employees' motivation through rewards and promotion ensuring ownership and responsibility for their work. Other reforms that have been adopted in KeRRA include adoption of private public partnership, providing a framework for managing the citizen



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side of change, improved disbursement of funds, developing skills and knowledge to support the change, division in function and structures for the authorities, recruitment of high qualified personnel, increase in the funding of transport sector and building awareness of the need for reforms.

#### **4.3 What factors influence reforms and policy making in KeRRA**

The respondents were requested to indicate the factors influencing reforms and policy making at KeRRA .From the findings, majority of the respondents indicated that the need for performance improvement, cost reduction and communication means influence adoption of strategic management. The study also found that level of staff involvement in the process, technological advancement and government regulations on state corporation governance played a great role in policy making.

The respondents were requested to indicate the process undertaken during reforms. They include development of long-term strategic plans for effective management of environmental opportunities and threats, in light of a firm's strengths and weaknesses. The formulation of strategy or reforms includes defining the mission, targeted objectives, developing strategies, and establishing policy guidelines.

The research further revealed that after the formulation of reforms, the management of the KeRRA translates its policies into action through the development of specific budgets and procedures. In this phase, the necessary changes are also made within the authority's culture, structure divisions, departments, products, and the relationships between these

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elements and the managerial levels among the top, middle and lower levels of management.

The respondents indicated that reforms evaluation and control was the final phase of the strategic management process and that reforms evaluation involved obtaining information about the strategic plans and performance and comparing the information with the targeted objectives and the strategic control involves taking the necessary corrective measures to bring the corporations activities into conformity with the strategic plan.

The respondents also indicated that the management emphasizes gathering and the use of environmental information through situational analysis to identify and understand the factors that contribute to its ability to develop effective strategies as well as achieve its objectives efficiently and effectively.

#### **4.4 Roles of strategic management undertaken by KeRRA**

The respondents were requested to indicate the significant roles played by the strategic management. From the findings, the study found that strategic management to improved service delivery offering intangible benefits among others an enhanced awareness of external factors that are incumbent in service delivery. The research further revealed that strategic management assists formulating better strategies by using a more systematic, logical, and rational approach to strategic choice, allowing KeRRA to be more proactive than reactive in shaping its own future by influencing road activities and thus to exert control over its own objectives improving overall performance.

The respondents indicated that the management were aware of external threats such as change of weather, political influence, availability of funds and resources and increased

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The respondents indicated that the management were aware of external threats such as change of weather, political influence, availability of funds and resources and increased

employee productivity, reduced resistance to change, a clearer understanding of performance-reward relationship, enhances problem –prevention capabilities. Promotion of interaction amongst director, general managers, functional managers and other employees provided a ground for identifying and rationalizing the need for change thus assisting all to view change as an opportunity rather than a threat.

The study further revealed that strategic management created a framework of improved coordination and control of activities and effective allocation of time and resources eliminating ad hoc decisions. There was improved internal communication and teamwork among staff.

The respondents indicated that rural road constructions, maintenance and management using strategic management concepts show significant improvement in efficiency rural road construction, improved rural road network compared to parastatals without systematic planning activities. High-performing firms tend to do systematic planning to prepare for future fluctuations in their external and internal environments (Michael, and John, 1998). Firms with planning systems more closely resembling strategic-management theory generally exhibit superior long-term financial performance relative to their industry. High performing firms seem to make more informed decisions with good anticipation of both short and long term consequences (Schwenk and Schrader, 1993).

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the organization. Diverse perspectives help the organization adopt a well-rounded approach to managing work.

The study found that through strategic management, KeRRA partners, help to shape the broader policy environment and for making real progress towards specific objectives and compelling them to contribute to the spectrum of the government's interests, beyond their organizational boundaries.

The respondents indicated that management adopted strategic management in decision making improve flexibility strengthening core competence. Strategic government acts mean good government since the quality of government increasingly determines international competitive advantage. While efficiency is a necessary condition of wider prosperity and influence, it is not sufficient. Enduring prosperity requires rural road authorities that are safe, ordered and honest.

#### **4.5 Challenges faced during adoption of strategic management within KeRRA.**

The respondents were requested to indicate challenges faced during strategic management within Kenya Rural Roads Authority. From the findings majority of the respondents indicated that staff degree of resistance, resources availability, political interference, security concern in various regions influences the adoption of strategic management. The study also found that lack of needed information technology required to implement strategic management program was a great challenge especially due the geographical setting of regions covered by KeRRA. This clearly implied that KeRRA faces numerous challenges during strategies formulation, implementation and strategic evaluation and control during adoption of strategic management. Emergent Strategies in the cause of undertaking

#### **4.6 Factors influencing strategic management**

**Organization Resources,** The interviewees indicated that KeRRA resources limited the implementation of strategy. They explain that resources such as funds, tractors and competent human resources were limited hampering effecting implementation of rural roads reforms.

**Organization Politics,** the interviewees indicated that politics plays a great role in strategic management at KeRRA as politics greatly affects the funding by the government and other donors hindering good governance and accountability affecting implementation of effective's strategic decisions. The respondents indicated that political wrangles scare away donors and other partners who offer funds and expertise.



Organization Policies, KeRRA policies influence strategic management. From the findings, the study found that KeRRA policies aim at enhancing development, rehabilitation, maintenance and management of rural roads in the country influencing the kind of reforms to be undertaken by the authority. the interviewees indicated that properly governance enable the authority in constructing, upgrading, rehabilitating and maintaining rural roads, controlling reserves for rural roads and access to roadside developments, implementing road policies in relation to rural roads and ensuring adherence by motorists to the rules and guidelines on axle load control prescribed under the Traffic Act or any other existing regulations and ensuring that the quality of road works is in accordance with such standard for necessary efficient forward planning.

Organization Culture. Due to resistance to change by employees who perceive change as a threat and feel connected to their old ways of doing things from the previous management in the Ministry of Roads. They have skepticism and wanted to be sure new ideas are sound.

#### **4.7 Ways of minimizing challenges.**

The interviewees were requested to indicate the ways through which management at KeRRA were minimizing challenges facing strategic management. From the findings, the interviewees indicated that KeRRA management were offering training to the staff competitive reward and incentive systems, enhancing partnership with all the stakeholders, adhering to the legal framework and ensuring the authority remain focus to achieved the set objectives of construction , maintaining and managing rural roads network for social economic development .

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents discussion, conclusion and recommendations of the study basing on the objective of the study which was to establish strategic management practices adopted by the Kenya Rural Road Authorities.

### **5.2 Summary**

The study established that KeRRA had formulated a vision and mission statement to convey a sense of purpose to management and employees the authority image to all the stakeholders. The interviewees were in agreement and said that the KeRRA's vision and mission statements have driven a sense of purpose and unity to all the stakeholders.

The study found that KeRRA had adopted strategic management to be able to carry out its mandate of offering guidance in the construction, maintenance and management of the rural road network in the country and management of development, rehabilitation, and maintenance of rural roads class D, E and Others

The study established that objectives of KeRRA was to increase the network of all weather and all season roads and improve accessibility, bring road network back to a maintainable condition and to create maintenance capacity by training of labour based contractors and ministry staff as well as to generate employment through the use of labour based methods and appropriate technology. The authority aims at improving rural roads as quality infrastructure plays great role in national development.



The study established that strategic management within KeRRA helped in maintaining an appropriate relationship between the KeRRA partners like the donors, government and the Kenyan community in provision of better rural roads. It assists in preparing the rural road authority for uncertain future developing and executing approaches for the implementation of the agenda for strategic change. The respondents also indicated through strategic management KeRRA established the constraints that hinder implementation of rural roads reforms, improve constraint management decisions and technology tracking to identify opportunities for innovation so as to improve provision and construction of better rural roads to help in achieving the vision 2030.

From the findings, the study established that the KeRRA management undertakes situation analysis which involved looking over the authority's external and internal environments and the context in which the rural road authority fits in those environments. The study found that in investigating how the government formulates the road regulations in the countries, the management partnering with the donors, indentifying the challenges facing authorities and processes like financial planning, staffing, employee performance, community's involvement, rural road construction projections and many others. Through situations analysis, KeRRA was found to formulate reforms to be undertaken includes the setting of the mission, goals and objectives for the rural road authority, the analysis of the external environment as it affects the rural road authority, together with its internal resources and the choice of strategic alternatives and assessment of stakeholder power and the impact of KeRRA culture on strategic decision-making were also important areas for analysis

From the findings, the study established that KeRRA engaged senior managers as strategic management leaders, training of staff to acquire more expertise in their area of specialization, employees' motivation through rewards and promotion. Other reforms that have been adopted include adoption of private public partnership, providing a framework for managing the citizen side of change, improved disbursement of funds, developing skills and knowledge to support the change, division in function and structure, recruitment of high qualified personnel, increase in the funding in road sector, involvement of Constituency Development Fund in work plan formulation and management of resources.

According to the findings, qualification of staff, the need for performance improvement, cost reduction, communication and level of staff involvement in the process, technological advancement and training of the employees were other factors influencing adoption of strategic management.

Further, the research indicated that during reforms development of long term strategic plans for effective management of environmental opportunities and threats in light of firm's strength and weaknesses was important. The formulation of strategy or reforms includes defining the authority's mission, targeted objectives, developing strategies, and establishing policy guidelines.

The study found that after formulation of reforms to be undertaken, the management of the KeRRA translates its policies into action through the development of specific budgets and procedures. In this phase, the necessary changes are also made within the authority's culture, structure divisions, departments, products, and the relationships between these

elements and the managerial levels among the top, middle and lower levels of the authorities.

Through strategic management, KeRRA undertakes reforms evaluation and control was the final phase of the strategic management process and that reforms evaluation involved obtaining information about the strategic plans and performance, and comparing the information with the targeted road rural roads objectives and the strategic control involves taking the necessary corrective measures to bring rural road activities into conformity with the strategic plan.

From the findings, the study found that KeRRA using strategic management to improved service delivery offering intangible benefits among others an enhanced awareness of external threat. The study found that strategic management assist KeRRA in formulating better strategies through using a more systematic, logical, and rational approach to strategic choice, allows KeRRA to be more proactive than reactive in shaping its own future.

The study further established that KeRRA adopted strategic management to be more aware of external threats increasing employee productivity, reduced resistance to change, a clearer understanding of performance-reward relationship, enhances problem – prevention capabilities, interaction among director and managers at all divisional and functional levels, empowers management and other employees providing a basis for identifying and rationalizing the need for change helps them view strategic management as an opportunity rather than as a threat.

Accordingly, the study established that strategic management provide an objective view of management problems whilst also allowing major decisions to better support the established objectives and provided a framework for improved coordination and control of activities, for the identification, prioritization and exploitation of opportunities, and for the effective allocation of time and resources.

The study established that the strategic management enhanced provision of quality roads to enhance national development through systematic planning to prepare for future fluctuations in their external and internal environments This concurred with Schwenk and Schrader, 1993) who indicated that firms with planning systems more closely resembling strategic-management theory generally exhibit superior long-term financial performance relative to their industry and to make more informed decisions with good anticipation of both short and long term consequences

Diverse perspectives help the organization adopt a well-rounded approach to managing work. The study found that through strategic management, KeRRA partners, help to shape the broader policy environment and for making real progress towards specific objectives and compelling them to contribute to the spectrum of the government's interests, beyond their organizational boundaries.

According to the findings, management in KeRRA adopts strategic management in making decisions strengthening core competence. Through strategic management, the KeRRA will execute strategically government acts to improved good governance, since the quality of government will increasingly determine international competitive advantage. While efficiency is a necessary condition of wider prosperity and influence, it

is not sufficient. Enduring prosperity requires rural road authorities that are safe, ordered and honest.

From the findings the study established that staff degree of resistance, resources availability influence the adoption of strategic management. The study also found that political interference, lack of trust in the change by employees and the time frame influence affects strategic management. Lack of needed Information technology required implementing strategic management program in the road authorities and employee resist to implementation of strategic management within the Kenya Rural Roads authorities and poor organizational structure causes resistance among some staff in the Kenya Rural Roads authorities also hindered strategic adoption within Kenya Rural Road Authorities. This clearly implied that KERRA faces numerous challenges during strategies formulation, implementation and strategic evaluation and control during adoption of strategic management.

### **5.3 Conclusion**

From the findings, the study concludes that KeRRA had adopted strategic management and engaged senior managers as strategic management leaders, training of staff to acquire more expertise in their area of specialization, rural road authority's employees' motivation through rewards and promotion and employees within rural road authorities taking ownership and responsibility for their work. The study concluded that enhance private public partnership ,provision of a framework for managing the citizen side of change , improved disbursement of funds , developing skills and knowledge to support the change, division in function and structures for the authorities , recruitment of high

qualified personnel , increase in the funding in road sector and building awareness of the need for reforms respectively. The concluded that through strategic management reforms that has led to improvement of the efficient and effective rural roads construction, adoption of private public partnership ,providing a framework for managing the citizen side of change ,improved disbursement of funds ,developing skills and knowledge to support the change, division in function and structures for the authorities , recruitment of high qualified personnel , increase in the funding of road sector and building awareness of the need for rural road reforms..

#### **5.4 Recommendations**

The study recommends that government parastatals should adopt strategic management so as to formulate reforms, enhanced management of authorities and policies into action through the development of specific budgets and procedures. Its also important to ensure that the authority's organization culture, resources, politics and policies are in line with strategic management.

The study recommends that organization should adopt strategic management to evaluate and control which involving obtaining of information about the strategic plans and performance, and comparing the information with the targeted organizations objectives and taking corrective measures to bring organizations into conformity with the strategic plan. The study established that KcRRA had adopted strategic management as its emphasize gathering and the use of environmental information.

The study further reveals that strategic management provides an objective view of management problems whilst also allowing major decisions to better support the



established KeRRA objectives and provides a framework for improved coordination and control of the activities. Also, for the identification, prioritization and exploitation of opportunities, and for the effective allocation of time and resources to the identified opportunities and minimizes the resources and time to be spent correcting erroneous or ad hoc decisions identify and understanding the factors that contribute to its ability to develop effective strategies as well as achieve its objectives efficiently and effectively.

From the findings, the study found that KeRRA using strategic management to improved service delivery offering intangible benefits among others an enhanced awareness of external threats and how to use opportunities available to counter the threats. The study found that strategic management assists KeRRA in formulating better strategies through using a more systematic, logical, and rational approach to strategic choice, allows KeRRA to be more proactive than reactive in shaping its own future as it allows authorizes to initiate and influence road activities and thus to exert control over its own objectives improving performance in improving roads in rural areas economic purposes.

The study further shows increased employee productivity, reduced resistance to change, a clearer understanding of performance-reward relationship, enhanced problem –prevention capabilities of KeRRA promotes interaction among director and managers at all divisional and functional levels, provides a basis for identifying and rationalizing the need for change helping them view strategic management as an opportunity rather than as a threat.

## **5.5 Limitations of the study**

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## **5.5 Limitations of the study**

The study faced difficulties in pursuit of drawing firm conclusions regarding strategic management in KeRRA. Among the challenges was inadequate time so many aspects of strategic management could not be captured extensively.

Some respondents were unwilling to spare their time for the interview thus making it hard to collect data within the stipulated time.

### **5.6 Areas of further research**

Owing to the fact that the road authorities in Kenya were formed three years ago through Act of Parliament, its successful existence cannot be fully concluded. There is need for further research on strategy implementation in the authority.

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## APPENDICES

### Appendix i: Introduction Letter

#### Dear Respondent

I am a student at Nairobi University pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project to assess Strategic Management in KeRRA. The focus of my research will be KeRRA and this will involve use of interview guides with director and senior management team.

I kindly seek your authority to conduct the research through use of research interviews and use of relevant documents. I have enclosed an introductory letter from the University.

Your assistance is highly valued. Thank you in advance.

Yours faithfully,

Eunice Ngatia

MBA student

Dr Gathungu

University Supervisor

**Appendix ii: Interview Guide**

**1. Has KeRRA formulated a vision? Kindly specify,**

.....  
.....

**2. Does KeRRA have a mission statement? Kindly specify,**

.....  
.....

**3. Has the vision and mission statements been changed since it was formulated?**

.....  
.....

**4. Has KeRRA adopted any strategic management system? Who is involved in your organization?**

.....  
.....

**5. What are the goals and objectives of the strategies adopted by KeRRA?**

.....  
.....

**6. What are the benefits of strategic management at KeRRA?**

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

**7. What are the strategic management approaches adopted by KeRRA? Are they more of reactive or proactive?**

.....

.....

**8 Does KeRRA carry out situation analysis to reach out its objectives?**

.....

.....

**9. How has the external environment affected your strategic decisions? Briefly explain**

.....

.....

**10. Has KeRRA undertaken any reforms since its formulation? Briefly explain**

.....

.....

**11. What factor influence reforms and policy making in KeRRA?**

.....

.....

**12 How do you deal with emergent strategies in the cause of business?**

.....

.....

**13. What are the roles of strategic management undertaken by KeRRA?**

.....  
.....  
**14. What challenges do you face in pursuit of strategic management in KeRRA?**.....  
.....

**15. How do the following influence strategic management?**

- i. Organizational Culture**
- ii. Organizational resources**
- iii. Organizational Politics**
- iv. Organizational Policies**

**16. Briefly give comments regarding strategic management to stakeholders and possible interventions to minimize challenges cited above.**

.....  
.....

(Figure 1 of Strategic Plan): ORGANISATION STRUCTURE FOR KENYA RURAL ROADS AUTHORITY (KeRRA)

