

**STRATEGY IMPLEMENTATION AT THE CITY COUNCIL OF
NAIROBI**

**BY
GATIMU LUKE MUGO**

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FULFILLMENT OF THE REQUIREMENT FOR THE AWARD
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DECLARATION

I declare that, this research project is my own original work and has not been presented for award of any degree to any other university.

Signed

Date.....

Gatimu Luke Mugo

D61/8970/05

This research project has been submitted for examination with my approval as the University supervisor.

Signed

Date

Prof. Evans Aosa

DEDICATION

This research work is dedicated to my dear wife Catherine and our son Leon for the support, time, devotion and sacrifice towards completion of this project.

Thank you for having been a source of great inspiration.

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My sincere thanks go to the Almighty God Who Has made me successfully reach this far. His providence in health, sound mind and great determination are worth noting.

Special thanks go to my wife Catherine who has been with me through this period. Indeed for her encouragement and efforts in reminding me that there was work to do throughout my demanding job and tight MBA schedule

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ABSTRACT

Strategies are critical in organization functioning. Whereas most organizations have good strategies, successful strategy implementation remains the major challenge in strategy implementation process. The notion of strategy implementation might seem quite straight forward yet in contrary, transforming strategies into actions is far more complex, difficult and challenging. This is why challenges need to be addressed because even the best strategy would be ineffective if not implemented successfully and hence overall results may not be achieved as expected.

The research project was a case study on CCN. The objective of the study was to establish strategy implementation at CCN, examine the challenges faced during the implementation and determine how these challenges were addressed. In order to achieve the research objective, primary data was collected using interview guides. Personal interviews were conducted mainly to those respondents who are charged with the responsibility of implementing strategies at CCN.

The study established most of the challenges of implementation as both internal and external stakeholders. To a larger extent the study found out that corporate strategy in itself, organization politics, structure and culture, government decisions, in adequate resources, poor communication, resistance to change and other uncontrollable factors as major challenges encountered during strategy implementation. The study provide CCN with useful information on how to successfully implement strategies in future by adopting appropriate styles and coming up with effective monitoring and control systems to mitigate challenges associated with strategy implementation.

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CHAPTER ONE: INTRODUCTION

1.1. Background

Organizations operate in an open environment and therefore require a strategy to deal with environmental forces. Strategic management can be defined as a continuous process aimed at keeping an organization as a whole appropriately matched to its environment (Certo and Peter, 1988). It is the process of making explicit the goals of the enterprise, the environment in which it operates, the strategies, and finally the feedback loops that tell the firm whether each of these steps has been identified correctly (Gardner and Rachli, 1986). Strategic management by itself is a process that encompasses strategic planning, implementation and evaluation. In their view, strategic management process is a way of considering, deciding, and realizing already formulated strategies. Strategy implementation, on the other hand, is concerned with both planning on how the choice of strategy can be put into effect, and managing the changes required (Wang, 2000).

The environment is turbulent, constantly changing and so it makes it imperative for organizations to continuously adapt their activities in order to ensure survival. Pearce and Robinson (1997) observed that for organizations to achieve their goals and objectives, they have to constantly adjust to their environment. Glueck and Jauch (1984) view strategy as a unified, comprehensive and integrated plan that relates the advantage of the firm and challenges of the environment and that is designed to ensure the basic objectives of the enterprise are achieved through proper execution by the organization. Strategy is the response of the firm to external environment.

Strategies create a fit among company's activities. The success of a strategy depends on doing many things well - not just a few- and integrating them. If there is no fit among activities, there is no distinctive strategy and little sustainability. The company's activities include its effective interaction with the environment in that these activities are geared towards serving external environment (Porter, 2001). Strategy is a large-scale, future oriented plan for interacting with the competitive environment to achieve company objectives. It is the company's game plan (Pearce and Robinson, 1997). While it does not detail all future development of resources, it provides the framework for managerial decisions. A strategy reflects a company's awareness of how, where and when it should compete and for what purposes it should compete.

While current public policy models have certainly started to reflect a shift away from traditional thinking about organizational design and public management, a systematic process of creating and sustaining improved performance that reflects changes in the environment is clearly absent. The guiding principles in the strategic management whether in the public or private sector are about understanding what changes are needed, how to implement and manage these changes and how to create a road map for sustaining improvements that lead to better performance. The difficulty in strategic management is the challenge of laying a foundation for success in the future while meeting today's challenges (Worral, Collinge and Bill, 1998).

1.1.1. Strategy Implementation

The implementation process of a strategy typically impacts every part of the organization structure, from the biggest organizational unit to the smallest frontline

work group. Every manager has to think through the question “what has to be done in my area to implement our part of strategic plan and what should I do to get these things accomplished?” All managers become strategic implementers in their areas of authority and responsibility and all employees should be involved (Thomson and Strickland, 1998)

Traditionally it is believed that strategy implementation and execution is less glamorous than strategy formulation, and that anyone can implement and execute a well formulated strategy. Therefore implementation and execution has attracted less attention than strategy formulation or planning (Alexender, 1991).

Aaltonen and Ikavalko (2001) argued that transforming strategies into action is a far more complex and difficult task. Similarly, David (2003) noted that it is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation). Implementation of strategy does not therefore automatically follow strategy formulation; it exhibits its own resistance, which can invalidate the planning efforts (Ansoff and McDonnell, 1990). Clearly, the implementation of a strategy is not a straightforward process, as one would assume. Bryson (1995) asserted that the earlier steps in the strategic management process are designed to ensure as much as possible that adopted strategies and plans do not contain any major flaws, but it is almost inconceivable that some important difficulties will not arise as strategies are put into practice.

Strategy implementation and execution is aimed at sharing the performance of core business activities in a strategy-supportive manner. It is easily the most demanding

and time consuming part of the strategy management process. The reason implementation is difficult is that it forces a manager to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, creating a strategy supportive work climate, and meet or beat performance targets, a task which is anything but easy (Thomson et al, 2003)

1.1.2. Local Authorities in Kenya

Local Authorities are responsible for the provision of public services critical to the citizens and business sector as defined by the Local Government Act. They are mandated to provide a wide spectrum of services to the public that not only directly impact on good governance and service delivery at the local level, but also have the ability to effectively target the disadvantaged groups within the society with pro-poor interventions, whilst ensuring implementation of the Millennium Development Goals. These services include provision of water, garbage collection, local road maintenance, street cleaning and lighting, health and education. In addition, they provide an important channel of enhancing citizen participation for improved economic governance and accountability (CCN Strategic Plan, 2006-2012)

The local government sector comprising all local authorities countrywide has a central role to play due its pervading presence and its constitution as an authority capable of implementing all Government initiatives and policies (CCN strategic plan 2006-2012). Though Government policies are normally housed in line Ministries, implementation of most of them is at the level of the local authority thus making Councils important in facilitating realization of national goals. However, Local Government administration system has been in a state of neglect and has suffered loss

of integrity in the eyes of both the Government and the general public because of gross mismanagement and poor performance. These activities led to unprecedented level of indebtedness in the local authorities (CCN strategic plan 2006-2012).

The key initiatives in public sector reforms and particularly the performance contracting have guided the ministry of local government intervention with local authorities. Fiscal transfers from the central government through LATF, is such other initiative. Financial management systems pursued through Local Authorities Integrated Financial Operations Management System (LAIFOMS) and provision of infrastructure, particularly markets are other key areas (Ministry of Local Government strategic plan 2008-2013). Local Authorities were instructed to formulate strategic plans which will guide the direction they are taking. Every performance contract indicator is evolved from the strategies and activities contained in the strategic plan. Focus is on the internal transformation particularly in the capability to nurture and support LAs to become innovative and proactive in service delivery. These reforms are monitored by the ministry of local government (Kenya Local Government Reform Program Secretariat – KLGRP), other government agencies and the public to ensure performance and service delivery (Ministry of Local Government Strategic Plan 2008 - 2013).

1.1.3. The City Council of Nairobi

The City Council of Nairobi (CCN) was incorporated under the local government Act Cap 265 which came into effect in January 1964. The council falls under the Ministry of Local Government and provides services to the residents as per the local Government Act Cap 265 and other government priorities as documented in various

Acts of parliament and policy documents. The council is governed through two arms namely the policy arm and the executive arm. The policy arm comprises of elected and nominated councilors and operates under the committee system. This organ of the council is responsible for all policy matters of the council. The executive arm is the implementing organ of the council and comprises the town clerk, chief officers and their support staff (CCN strategic plan 2006-2012). .

Nairobi not only being the Kenya's capital has increasingly become a regional/commercial hub as well as global Centre for international agencies such as the UNEP and the UN-Habitat. The CCN has therefore become a significant vantage point for controlling considerable resources accessible to the Council and a launch pad to the national politics.

The City Council of Nairobi has in the past carried out its operations without a strategic plan. As a result, many of the council programs and projects were conceptualized and implemented on an ad hoc manner leading to unsatisfactory results. The City Council of Nairobi recognized that its operations could no longer be undertaken without a guiding framework. In this regard, the Council prepared its first five-year Strategic Plan (2006-2012). This plan is envisaged to guide service delivery in the council and its endeavor to improve the quality and reach of services especially to the poor. The strategic plan is in line with the Government's priority to improve governance and service delivery at the local level especially the performance of Local Authorities. As recognized in the Vision 2030 economic blueprint, Local Governments have key roles to play in the fight against poverty and bringing economic development in their areas of jurisdiction. The preparation of the strategic

plan took cognizance of this role and specifically the challenges facing the City Council of Nairobi.

Reforms in the City council of Nairobi and the Local Authorities at large have been undertaken in line with the broader national policies and aspirations. A number of guiding strategies have greatly influenced the Council. These include the Economy Recovery Strategy for Employment and Wealth Creation (ERSEWC), the current national development blue print Vision 2030, the procurement and Financial management procedures review.

1.2. Research Problem

Organizations develop and implement strategies in order to take advantage of opportunities that exist in environment that they operate from. Since environment is turbulent as a result of constant interaction with the environment, the development and eventual implementation of a given strategy minimizes the un-certainties that may arise due to non-implementation of conceived strategy. Strategy implementation or strategy execution is the most complicated and most time consuming part of strategic management (Shaap, 2006).

Nairobi is the political and administrative Centre of the Republic of Kenya and has grown steadily to become a Metropolis. Its strategic location has made it an important regional hub for commercial, financial, industrial, education and communication in Eastern Africa. The City Council is at cross roads to fulfill its mandate in a rapidly evolving demographic, political, technological and social environment. In light of the recurring problems, the Kenyan Government has in the past formed numerous

commissions, task forces, study groups and working parties to address the problems of the City of Nairobi and other Local Authorities. Of significance was the Odongo Omamo report (1995), Mbugua report (2000), Rweria report (2004) which made recommendations to guide the future development and management of the City Council.

In order to survive and deliver services effectively, local authorities have to engage in effective strategic management. According to Kiruthi (2001), all organization must grapple with the challenges of changing environment in which they operate. Whatever the process, each organization ends up with a strategy. Michael (2004) studied factors influencing strategy implementation by NGOs operating in Kenya and found that development partners mostly fund small projects which leaves the organizations exposed as to funding of large projects and also delay in disbursing funds make them not to complete the projects on time. Koskei (2003) studied strategy implementation and its challenges in public corporations with emphasis on Telkom Kenya Limited. He found out that the corporations set some targets which become hard to be accomplished and also lack of dedication by the staff to ensure successful accomplishment of strategies.

Whereas the concept of strategic management in Kenya has been widely researched in the past decade, none has been conducted on Local Authorities and in particular on strategy implementation in the CCN. What is the nature of strategy implementation at City Council of Nairobi?

1.3. Research Objectives

Objectives of the study were;

- i) To establish the strategy implementation at CCN.
- ii) To examine the challenges faced by CCN in the implementation of its strategies.
- iii) To determine how CCN addressed these challenges.

1.4. Value of the Study

The government has since embarked on a public sector reforms exercise with a view to transform the mandates, structures, procedures, and performance of the public service in order to effectively play its enabling role in the development agenda of the country. This study will inform such initiatives in regard to strategic transformation of institutions within the Ministry of Local Government.

To the CCN, the findings of the study will inform the management of CCN on how to successfully implement strategies as well as measures to mitigate the challenges that arise during the implementation phases. The study proposes appropriate measures to guide the CCN in designing proper approaches geared towards enhancing their strategy implementation.

It is hoped that other researchers and scholars will use the study as a basis for further research that will add value to the body of knowledge on implementation of strategies in local authorities which has actually not attracted much academic attention.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter presents theoretical and empirical literature relating to strategy implementation. It summarizes the information from other researchers who have carried out their research in the same study of strategy implementation. The specific areas covered here are the strategy development, approaches to strategy implementation as well as challenges to strategy implementation.

2.2. The Concept of Strategy

Strategy is the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and to fulfill stakeholders' expectation, (Johnson and Scholes 1999). Strategies are systematic choices about how to deploy resources to achieve goals (Salfold 2005)

Managers come up with strategy plans for their organizations in order to systematically achieve their organizational objectives. Generally speaking, a strategy describes the current position of organization, where it focuses to be (in future) and how to get there by assessing its existing capabilities. Formulating appropriate strategy is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organizational structure, reward system, organizational culture resources and leadership. Just as strategy must be

matched to the external environment, it must also fit the multiple factors responsible for implementation (David, 2003). Successful strategy implementation therefore must consider issues central to its implementation which includes matching organizational structure to strategy, linking performance to incentives/sanctions, creating a supportive organizational culture among other issues (David 2003).

A good strategy should fit the company's situation, help the company achieve a sustainable competitive advantage and result in better company performance. For strategy to fit the company's situation it must be well matched to industry and competitive conditions meet the company's best market opportunities as well as are in tune with the enterprise's external environment. It must also be tailored to company's resource strengths and weaknesses, competences and competitive capabilities (David 2003).

A company's strategy is reflected in its actions in the market place and in the statements of its service managers about the company's current business approaches, future plans and efforts to strengthen its competitiveness and performance (Thompson, et, al 2005). In principal, an organization's strategy should be aimed either at providing a product or service that is distinctive from what the competitors are offering or at developing competitive capabilities that rivals cannot match.

Strategies need to be considered not only in terms of the extent to which the existing resource capability of the organization is suited to opportunities, but also in terms of the extent to which resources can be obtained and controlled to develop a strategy for

the future. Strategic decisions affect operational decisions in the sense that they require action.

2.3. Strategy Development and Implementation

Formulating strategy is relating a company to its environment. Therefore analysis is crucial to the outcome of the total planning process and a major part in the diagnosis of the external environment (Swaan and Waalewijn, 2005). Several tools and techniques have been developed to assist planners in the evaluation and in particular the assessment of profit potential of the industry. Porter's competitive forces model by far is the most widely used framework. These forces constitute bargaining power of buyers, bargaining power of suppliers, threat of new entrants, threat of substitutes, and competitors' rivalry. A sixth force, namely 'other stakeholders' indeed exists. The stakeholders include; the government, the public and social watchdogs. The strongest of the five forces becomes crucial from point of view of strategy formulation and its implementation especially in the not-for-profit sector and state-owned enterprises. Knowledge of these underlying sources of competitive pressure provides groundwork for a strategic agenda of action. During implementation of laid down strategies, various challenges are experienced depending on the state of the operating environment of the implementing organization.

Many organizations fail in the implementation phase because the key people are not involved in the process from the initial stages or they never gain ownership of the process. Some organizations prefer to use a planning team. This is usually a select group of people chosen by the top management. If this approach is used, the wise leader should be certain that the group represents the full constituency of the

organization. If not, certain groups of people may feel left out and have no sense of ownership. Often, those left out represent various age or socioeconomic groups (Hughes 2005)

Hughes (2005) further recommends that to achieve the most success with the planning team, the following kinds of people should be chosen: involve people who care, include broad-based participation, enlist program or team leaders, involve people with a passion for organizational missions and involve people who are future-oriented. Enlisting the right people, the right kind of people, will help provide a solid foundation for building a relevant, contextual, organization-owned strategy. This part of the process should not be short-circuited.

Strategy development must be seen as an ongoing process, not the end result of a project. Process implies ongoing activity. Although there may be an end to the formal part of a strategy development process, remembering that this is a process allows the strategy to stay flexible, relevant, and current to adjust and respond to emerging strategies. Strategy sets the direction by determining direction, outlining objectives, and establishing appropriate goals, but it does not go beyond twelve to eighteen months in developing action plans. Even when action plans are developed for this period of time to accommodate calendar and budget considerations, there must be flexibility to adjust them as needed (Porter, 1996; Nate, 1997; and Temme, 1993).

According to Thompson (2005) crafting and executing a strategy are the heart and soul of managing an enterprise. Crafting and executing a company's strategy is a five-phase managerial process namely; developing a strategic vision, that is, where the

company needs to head and the future of its product, customer which is the market, what the technology focus should be, setting objectives and using them as yardsticks for measuring the company's performance and progress, crafting a strategy to achieve the desired outcomes and move the company along the strategic course that the management has created, implementing and executing chosen strategy efficiently and effectively, monitoring developments and initiating corrective adjustments in the company's long term direction, objectives, strategy or execution in the light of the company's actual performance, changing conditions, new ideas and new opportunities.

2.4. Approaches to Strategy Implementation

Successful strategy implementation depends on a large part on how the firm is organized. The structure helps the organization identify its activities and the way in which it will coordinate them to achieve firm's strategic objective. It also provides managers with a vehicle to exploit fully the capabilities and skills of the employees with minimal cost and at the same time enhance the firm's capacity to achieve superior efficient quality innovation and customer responsiveness (Pearce & Robinson, 2007)

An important factor in the success of strategy implementation is the availability of required competencies in the human resources (Krishnan and Singh, 2004). Strategy formulation is influenced by factors like whether there are the needed competencies in the organization, possibility of training the employees for developing them and the gaps that exist in terms of competencies of the human resources. A critical factor that is important in the formulation of a strategy is the understanding of required organizational competencies for the implementation of the business strategy.

Elements of human resource management like acquiring, managing and developing the competencies are important for the success of strategy implementation (Krishnan and Singh, 2004). However, poor implementation of an appropriate strategy may cause that strategy to fail (Kiruthi, 2001). An excellent implementation plan causes the success of an appropriate strategy as well as rescues an inappropriate strategy (Hunger and Wheelen, 1994).

2.4.1 McKinsey 7-S Model of Strategy Implementation

This model named after McKinsey and company can be used in various scenarios including when determining how to best implement strategy. McKinsey model describes the seven factors critical for effective strategy execution (Kaplan, 2005). It identifies the seven factors as strategy, structure, systems, staff, skills, style and shared values.

Strategy is the plan of action an organization prepares in response to or in anticipation of changes in its environment. Strategy is differentiated by tactics or operational actions by nature of it being pre-meditated, well thought through and often practically rehearsed. It deals with three questions, where the organization is, where it wants to be in a particular length of time and how to get there (Kaplan, 2005).

Structure refers to the way in which tasks and people are specialized and divided, how authority is distributed, how activities and reporting relationships are grouped and mechanisms in which activities in the organization are coordinated (Kaplan, 2005).

Organizations are structured in a variety of ways dependent on their objectives and culture.

Systems refer to the formal and informal procedure used to manage the organization including management control systems, performance measurement and reward system, planning, budgeting and resource allocation systems and management information systems (Kaplan, 2005). Every organization has some systems or internal processes to support and implement the strategy and run day to day affairs. These processes are normally strictly followed and are designed to achieve maximum effectiveness.

Staff refers to the people, their background and competencies, how the organization recruits, selects, trains, socializes, manages the careers and promotes employees (Kaplan, 2005). Organizations are made up of humans and it's the people who make the real difference to success of the organization in the increasingly knowledge based society. Importance of the human resource thus has got central position in the strategy of the organization away from the traditional model of capital and land. Skills refer to the distinctive competencies of the organization, the management practices, processes, systems, technology and customer relationship (Kaplan, 2005).

Style refers to the leadership style of managers. How they spend their time, their focus of attention, what questions they ask employees and how they make decisions. It also focuses on organizational culture which includes dominant values and beliefs, norms, the conscious and unconscious symbolic acts taken by leaders. These are the job titles, dress codes, informal meetings with employees among others (Kaplan, 2005). All

organizations have their own distinctive culture and management style which develop overtime and becomes relatively enduring features of the organizational life.

Shared values refer to core fundamental set of values that are widely shared in the organization. They serve as guiding principles of what is important, that is, the vision, mission and value statements that provide a broad sense of purpose for all employees (Kaplan, 2005). All members of the organization share some common fundamental ideas or guiding concepts around which the business is built. Organizations with weak values and common goals often find their employees following their own personal goals that may be different or even in conflict with those of organization or their fellow colleagues (Martins and Terbalance, 2003).

2.4.2 Balanced Score Card

This is a management system that enables organizations to clarify their vision and strategy and translate them into action. This approach to strategic management was developed by Kaplan and Norton of Harvard Business School. It came into being as a method for companies to manage their increasingly complex and multifaceted business environments. The Balanced score card provides a clear prescription as to what companies should measure in order to balance the financial perspectives (Aversion, 1998).

According to Kaplan and Norton (1998), the balanced score card model is a conceptual framework for translating organization's vision into a set of performance indicators distributed among fewer perspectives. They are financial, customer, internal business process and learning and growth. Gekonge (2003) observes that balanced score card is a methodology suited for deploying organization's strategic

direction, communicating its expectations to all employees and measuring its progress towards agreed objectives.

The first perspective is financial one which includes financial performance measures that indicate whether the company's strategy implementation and execution are contributing to bottom line improvement. Kaplan and Norton do not disregard the traditional need for financial data (Averson, 1998). The point is that the current emphasis on financial leads to imbalanced situation with regard to other perspectives.

Secondly there is customer perspective that emphasizes customer focus and customer satisfaction in any business. Poor performance from this perspective is thus a leading industry decline regardless of the current financial picture (Averson, 1998). The core outcome measures include customer satisfaction, customer retention and new customer acquisition and profitability (Kaplan and Atkinson, 1998).

The third is the internal business perspective which focuses on internal business processes. Processes have great impact on customer satisfaction and achieving the organizations financial objectives (Kaplan and Atkinson, 1998). These measures allow the manager to know how well their business is running and whether its products and services conform to the customer requirement (the mission) and must therefore be carefully designed by those who know these processes most infinitely (Averson, 1998).

Fourthly is the learning and growth perspective which includes employees training and corporate cultural attitudes related to both individual and corporate self-improvement. Matches are put in place to guide managers in focusing training funds

where they can help most. Kaplan and Norton (1998) emphasize that learning is more than training. It also includes things like mentors and tutors within the organization as well as that ease of communication among workers that allow them to readily get help on a problem when it is needed. This perspective identifies the infrastructure that the organization must build to create long term growth and improvement. Kaplan and Norton (1998) observe that successful balance score card implementation enable employees at all levels of organization to understand the rules in meeting organization's strategic objectives.

The balanced score card is also based on outcome metrics that emphasize the principle that one cannot improve what one cannot measure. So metrics are developed based on the priorities of strategic plan that provide key business drivers and criteria for manager to watch. The value of metrics is to provide a factual basis for desiring strategic feedback and show the present status of organization from many perspectives for decision makers (Averson, 1998).

2.5. Challenges to Strategy Implementation

Alexander (1985) identified inadequate planning and communication as two major obstacles to successful implementation of strategies. Thomson and Strickland (1989) later established that strategy implementation challenge is to create a series of tight fits between strategy and the organization's competences, capabilities and structure, between strategy and budgetary allocation, between strategy and policy, between strategy and internal support system, between strategy and the reward structure and between strategy and the corporate culture. However, the problems of strategy implementation relate to situations or processes that are unique to a particular

organization even though some problems are common to all organizations. The key decision makers should therefore pay regular attention to the implementation process in order to focus attention on any difficulties and on how to address them.

Lack of understanding of a strategy is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction. Byars (1996) pointed out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, problems in understanding arise when it comes to applying the strategic issues in the day to day decision making.

Cultural impact underestimation is a challenge to strategy implementation when the organization encounters rough going because of deep-rooted cultural biases. It causes resistance to implementation of new strategies especially in organizations with defender cultures. This is because they see change as threatening and tend to favor continuity and security (Wang, 2000). It is the strategy maker's responsibility to choose a strategy that is compatible with the sacred or unchangeable parts of the prevailing corporate culture (Thomson and Strickland, 1989).

Resource insufficiency is another common strategy implementation challenge. David (2003) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. Such factors as overprotection of resources, too great emphasis on short-run financial criteria,

organizational policies, vague strategy targets, reluctant to take risks, and lack of sufficient knowledge may inhibit proper implementation.

At its simplest, strategy is all about managing change and resistance to change. This can be considered the single greatest threat to successful strategy implementation. Strategic change is the movement of an organization from its present state towards some desired future state to increase its competitive advantage (Hill and Jones, 1999). Change may result to anxiety, conflict and resistance for fear of economic loss, inconvenience, uncertainty, and a break in normal social patterns (David, 2003).

Organizational politics, unavoidable aspects, remains another key challenge in strategy implementation. Organization politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interest (Hill and Jones, 1999).

Lack of total control of the strategic approach to be undertaken is a challenge especially apparent in local authorities, where there is no overall control and where it is particularly difficult to build a strategic approach which is owned by elected members (Carmichael, 1994). The challenge for councils is to find ways of becoming more strategic without dividing management from politics and officers from members and, indeed, to use the strategic process as a way of strengthening member and political involvement within the overall management of the local authority.

Inability to balance between the corporate strategies and political values in the organization is another major challenge more so in the local authorities. By their very

nature local authorities face particular difficulties in developing and sustaining a strategic approach at the corporate level. Councils are governmental, representative, political organizations which differ in fundamental respects from private companies. Corporate strategies in local government cannot and perhaps should not be divorced from political values and beliefs, and will often be defined in relation to one or more party political manifestos (Worrall, Collinge and Bill, 1998).

Another challenge is the lack of clear overlap between the problem structure and the organizational structure (Flood and Jackson, 1991). This is more prevalent in the local authorities. It brings about inability to disentangle symptoms from problems. The problems are therefore continually changing and intervention irrevocably changes the problem at hand (Rittel and Webber, 1973). Local authorities need to develop capability to ensure a degree of consistency between corporate strategy and the host of strategies for areas like education, housing, environmental, anti-poverty, information systems, financial and equal opportunities.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the research design and methodology that was used to carry out the research. It deals with research design, data collection techniques and methods of data analysis.

3.2 Research Design

The research was conducted through a case study. A case study is a descriptive research technique that intensively investigates one or few situations that are similar to the researcher's problem situation. Kothari (1990) observes that a case study enables the researcher to conduct an in-depth investigation of many different aspects of a phenomenon. He further argues that a case study is a powerful form of qualitative analysis and involves careful and complete observation of a social interest be it a person, family, cultural group or an entire community and/ or institutions.

This highly focused attention enables the researcher to carefully study the order of events as they occur or to concentrate on identifying the relationships among functions, individuals or entities. Case studies provide deep learning opportunities especially in consideration of alternatives, perspectives and the ability to think outside the box.

3.3. Data Collection

Primary data was collected from the heads of departments or their deputies drawn from the 16 departments within the City Council of Nairobi (Appendix 3). The study relied on primary data.

Data from the heads of departments was collected using interview guides. These interview guides were dropped a day or two before the interview to allow for understanding of the issues and obtain reliable information. The interview guide had open ended questions covering issues of strategy. Open-ended questions permitted free responses from the respondents, without providing or suggesting any structure for the replies.

3.4. Data Analysis

Content analysis technique was employed to process and analyze the data obtained. Content analysis has been defined as the systematic replicable technique for compressing many words of text into fewer context categories based on explicit rules of coding. It is a technique for making inferences by objectively and systematically identifying characteristics of messages.

This technique was useful since it allowed the researcher to discover and describe the focus of individual, group, institutional or social attention sift through volume of data. After data was obtained through the interview, the researcher through use of qualitative data analysis techniques analyzed the information and contents collected in a systematic way in order to come up with useful conclusions and recommendations.

about a phenomenon under study and then establish patterns, trends and relationships thereof.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter covers data analysis research findings and discussions on the study results. The data collected from primary sources has been reviewed to determine and validate its adequacy, credibility and consistency before being summarized. Specifically, this section describes how CCN conducts and handles strategy implementation process, discusses the findings and challenges faced during strategy implementation and measures taken by CCN to cope with these challenges as and when they arise.

The summarized data has been analyzed using qualitative data analysis mainly involving making inferences by systematically and objectively identifying and specifying characteristics of message and relating this to study themes. Apart from summarizing the data, this section aims at answering the critical research question. What is the nature of strategy implementation at CCN?

4.2 Respondents Profile

The respondents comprised of the Heads of Departments and in their absence the deputies who are involved in formulation and implementation of Council strategies. In total the researcher interviewed eight directors and six deputy directors. In total the researcher interviewed fourteen respondents.

The duration in which the respondents have worked in the Council varied from one to twenty years. Seven of the respondents have worked with the CCN for less than five years while the other seven had worked for more years. This indicates that half of the respondents have not worked in the council for long.

4.3 Strategy Implementation

The respondents indicated that the strategy covers a period of five years and is reviewed upon expiry of the period. The respondents indicated that the council uses top down approach, participatory and consultative. On very rare circumstances does the council use the bottom-up approach. The respondents also pointed out that strategic development process in the CCN is participatory to the extent that the Heads of departments are involved, the chief administrative officers within the departments and one more representative in every department.

Implementation of the organization's strategy will only be successful if employees who are the actual implementers participate fully in the process. This fact was reinforced by respondents who indicated that one of the ways to motivate the employees was to work to the best of their ability in strategy implementation process is to involve them actively in strategy formulation. This however was not achieved in the Council as the middle level managers and lower level employees were not involved in strategy formulation. They felt that though they were represented, in most cases their representatives did not seek their input.

Respondents indicated that the council had for a long time continued to operate without a strategic plan. This led to haphazard developments all over the city. Rural

urban migration put pressure on the available infrastructure. Social economic factors like unemployment and high cost of living led to increased informal sectors and slums. Insecurity in the city was on the rise and service delivery became worse by the day.

The researcher found out that the first strategic plan was five year plan between 2006 and 2010. However, there were reports from various taskforces formed in the past to address challenges that faced the council. The recommendation of these task forces were hardly implemented thereby services continued to be poorer.

The respondents indicated that change of Government in 2003 was a major contributor in influencing the formulation of a strategic plan. The introduction of performance contracting in the public sector played a pivotal role in formulating the strategic plan. Formulation of strategic plan was made a mandatory indicator in the performance contract.

Other factors that led to implementation of strategic plan were the increased civil society participation in pushing the Council to deliver proper services. There were many estate welfare associations like the Karengata, Kera and others that were formed to demand rights of the residents in service delivery. Strict enforcement of the legislation like the children right and environmental safety also led to change of direction. There was increased collaboration between inter-government agencies, like ministry of Nairobi Metropolitan, ministry of lands and others. The development agencies like the Kenya roads board and authorities like the National Environmental Management Authority who required interacting with proper planning. Others were

the development partners like the World Bank, donor agencies in addition to private organizations like the Adopt a light.

The researcher established that the first strategic plan (2006 – 2010) was steered by a Consultant. He conducted awareness campaign through training on the strategy formulation. The heads of departments, their deputies and one administrative officer from every department were the only ones who participated in the training and formulation of the strategic plan. The other members of staff and councilors who are the people's representatives came to learn of it at the time of launch. The respondents confirmed that lack of involvement of the technical and lower cadre staff led to a number of important issues being left out from the strategic plan. The implementation was by staff and not the consultant. The respondents indicated that the change managers were the heads of departments. They steered the implementation process.

The study established that CCN has spelt out in its five year corporate plan major strategic thrust and action plans formulated for each specific department to pursue. The plan provides broad guidelines from which each department draws its strategic plan and action plans which upon implementation lead to attainment of overall company objectives.

The strategy implementation at CCN is also done through development of planning and control systems. The study established that each department does this differently depending on the areas concerned. The departmental heads develop plans, delegate to lower level managers and obtain feedback from them which acts as a control mechanism upon which implementation result is measured.

The council reviewed its strategic plan in 2009 to align it with the Ministry of local government and also the Vision 2030. At the time of research, the researcher noted that the council was in the process of reviewing the strategic plan for the period 2012 to 2016. The researcher noted improvement in the involvement of staff thereby indicating that the council had already learnt some lessons to help in the implementation.

The respondents indicated that the council has been undertaking baseline surveys to measure the levels of implementation of the strategies. Among the surveys carried out were the customer satisfaction, employee satisfaction, work environment, drug and substance abuse, gender mainstreaming, corruption perception career development and statutory obligations compliance audit. All the above are carried out annually and form part of the reporting progress.

As part of ensuring compliance with strategy implementation, the key performance indicators form part of the performance contract. The council signs the contract with the Ministry of Local Government. Periodic reports on the status of implementation are sent to the Ministry of Local Government, the public sector reform secretariat and the vision 2030 secretariat. The researcher also noted that for the council to access the government funding in the form of Local Authorities Transfer Fund, a condition on the progress on implementation was established for all local authorities. As a result there is increased awareness of the strategic direction since approval by the Council committees has to be done.

The study found that the structure of the council was changed once to increase the number of departments from ten to sixteen. The departments were function based for ease of operations. This was also for efficiency in handling issues that arose. For example, the legal department was formed to handle the increasing legal issues that the council faces. It was also meant to closely advise other departments in the council on the legal implications like the demolitions, arrests, allotments and revision of fees and charges.

To minimize duplication of functions and unhealthy competition within the departments, the respondents indicated that all the operational and fees and charges were harmonized. Example of such was where the planning department could charge a fee for the banners lower than if one went for approval of the same in the engineering department. Similarly, the reserved parking issued from the engineers department could be lower than the loading zones. Clients could opt to go for the cheaper since it served the same purpose.

The respondents indicated that the council engaged in an exercise of reducing the cost of doing business by removing a number of the requirements when applying for business permit. The issuance period was also reduced from forty five days to three days. The building permits were reduced from ninety days to twenty one days. In this scenario, committees were formed to facilitate approval of the building plans and have sitting programs that are strictly followed. On the same the electronic application and approval of the plans was introduced.

The study found that the Council undertook a staff audit to establish the genuine number of employees, redefine the job descriptions, align the jobs with the requisite qualifications and identify the gaps. The audit managed to reduce the payroll cost after identification of non-existent employees. Recommendations for promotions were done and harmonization of the salaries through the common cadre was carried out. All the employees were provided with insurance covers. The respondents indicated that this boosted the morale of the employees.

4.4 Challenges of strategy Implementation

The nature of industry that CCN operates presents an environment that is very challenging. In addition, the study observed that the manner in which CCN is organized has been dictated by nature of industry it operates in. These two aspects makes CCN prone to enormous challenges as it endeavors to translate its strategy into action and then into acceptable results. It was the objective of this study to establish what these challenges are.

The study found out that corporate strategy itself, organizational politics, structure and culture, government decision, lack of resources, both financial and human resource, high degree of staff turnover and resistance to change are the major challenges encountered during implementation of strategy at CCN. Others include lack of infrastructural facilities and indiscipline among some employees. The study established that challenges of strategy implementation came from internal and external sources. Most of the challenges came from the management, staff and tax payers, internal and external stakeholders.

Further study revealed that the corporate strategy was faulted by the emergent issues, which reflected the reality on the ground and most cases the issues needed to be dealt with for the sake of successful implementation of the strategy and to achieve the overall objective of the CCN and its survival. To illustrate this, the government introduced free medical services for all public hospitals and clinics where the council has 75 clinics. This necessitated alignment of the corporate strategy with the government decision. The corporate strategy had to be updated to remain relevant to the overall goals and objectives.

Organizational culture is a company's way of doing things. It constitutes mostly values and beliefs that are held over time in the course of doing business. Therefore the match between the strategy and culture is crucial for successful implementation of strategy. The study carried out revealed that employees are still operating under the Council's general culture which gives revenue collectors powers to make decisions in the course of their duties with total disregard of the new ways of doing things to support strategy implementation.

The study found out that there was inadequate budgetary allocation for strategy implementation, as spelt out in the corporate plan. Thus, there was not enough commitment in ensuring success. The inadequacy of resources forced projects to roll over for a number of years and delay implementation plan. The organization had an ambitious plan yet it was not possible to implement strategies which require massive financial resources.

The study found out that the policies which operated as the standard procedures in facilitating strategy implementation were out dated. They needed to be revised to ensure strategy implementation by controlling action, behavior, decision and practices which promote strategy accomplishment.

The study found out to a very large extent there was lack of sufficient communication on how the strategy was implemented among the key stakeholders. Consistent communication on the progress of strategy implementation was lacking. The stakeholders who include public and the civic wing were never updated on the progress. Revision of the strategy was also not adequately communicated to indicate change of direction.

Mixture of support and resistance among management, staff and tax payers was found to exist. There was so much fear of the unknown among the civic leaders who felt that change of direction would directly affect their electorates. An example of this was increasing the rent for houses, market stalls and single business permits review. On the part of staff, fear of losing jobs or being irrelevant was noted among staff.

Outsourcing of some key services like garbage collection, street sweeping and revenue collection in car park were never supported since the staff felt they were bound to lose jobs. The study also established a lot of vested interest in those areas from among the employees, the civic wing and the suppliers to the council. The management however felt it was time to off load these services through outsourcing.

The study found out that some aspects of culture promote negative attitude among some staff toward their development. For example the culture of seeking approval on

every other decision to be taken and rigid procedures followed were notably present. Most policies are subjected to the departmental committees, then to finance or general purpose committee after which they are subjected to the full council. Authority is then sought from the Minister for Local Government for the policy to be adopted. Some of these impede successful implementation of the strategy.

The Council's structure also breeds lack of line authority where decision to be made by one or few office holder are constrained yet it is perceived that such decision ought to originate from such offices. Such lack of line authority has led to some line managers deviating from their functions and as a result stumbles on other areas. All these structural design issues stand on the way of successful strategy implementation. Implementation of strategies requires not only adequate staff but also competent for success to be realized. At this stage a high degree of staff turnover was identified as a challenging phenomenon in CCN. This was more in the senior management and among the professionals. This way it attributed to a lot of interference through transfers by the ministry of local government to equip other local authorities.

The researcher noted that the council structure has nineteen levels making it unnecessarily tall. This increases bureaucracy since internal approvals have to go through so many stages. The respondents also indicated that there was a lot of duplication of roles within the tall structure.

Another reason was poor pay for the professionals like engineers, lawyers, planners, architects among others. They ended up being poached by other well-paying agencies like KRB, KURA, Nairobi metropolitan etc. It was established that the Ministry of

Local Government made new recruitment for the Council. However, the Council does not have leeway to negotiate or pay higher than what is in the scheme of service. This proves very costly since lengthy recruitment process has to be undertaken, selection, training and development of new staff to fill the positions left vacant.

Development in the environment requires that a company change its strategy direction so as to exploit any eminent opportunities and also counter the resultant threats. The internal readjustment would entail the re-assessment of company's weakness and strengths so as to establish capability gap and do something core on its key distinctive competence. All these moves require management to throw its weight fully behind their realization.

It was established that such management support was hardly guided. Suggesting the introduction of new programs and effect changes in some policies got resistance from management. For instance there is lack of appreciation that some training programs are necessary yet this will go a long way in developing organizational capabilities in implementing strategies. They are instead perceived as costly and time wasting activities rather than value adding moves. The need for human resource policies that are comprehensive and strategy supportive has been met with resistance from management.

The study established that some staff are lazy and don't perform up to expectation. Economic factors such as inflation, exchange rates, interest rates and economic performance of the country in general impacts on the strategy implementation. All

these factors act as a source of challenges when they are unstable and the economy performing poorly.

The organization has laid down broad policy guidelines, procedures and processes to be followed in undertaking any activity. However it was found out that some policies, procedures and processes are impediment to successful strategy implementation. They are archaic and rigid. The phenomena was attributed to bureaucratic culture of handling issues that incur long processes and procedures in light of outdated polices resulting into actions even urgent ones taking too long to be executed. As a result the study established that too much paper work arises from such processes making it too tedious and cumbersome to handle them.

The study established that politics in the organization was explicitly manifested which poses a challenge to strategy implementation. At times managerial issues raised are perceived as personal and thrown out of proportion. This constrains the effort required to implement strategy. Such issues as request for financing turn out to be frustrating since it is a requirement to justify expenditure even when it speaks for itself.

While successful implementation of strategy requires adequate information system to monitor such implementation, it was established that even a phone is not at the disposal of the employees. The switch board was noted to have crushed more than three years ago and has not been replaced. Communication is therefore done using personal mobile phone or physically walking. Without adequate provision of air time, monitoring on real time becomes a challenge. It is also costly on the part of employees and time consuming.

The computers that staffs have are inadequate and are for ordinary typing purposes. The challenging aspect is making sure that one is physically present. The progress report obtained from employees has to be confirmed physically. The absence of adequate information systems to monitor implementation activities without physical presence means that monitoring suffers draw bucks.

The study further established that obsolete computer software was in use since there was no periodic upgrading of the software to capture the dynamic technology. System service was not considered at implementation and thus there was notable systems breakdown. The system breakdown was also attributed to inadequate staff in the ICT professional field and inadequacy of service providers. Stronger controls introduced during system development process inhibit flexibility and takes time to incorporate changes into the current system. Lack of enough programming staff was due to imbalance between activities to be carried out and the available staff and some staff having personal commitments that force absenteeism.

The environment in which the strategy implementation takes place is not static and changes in the environment are continuous. This calls for adjustment in the strategy in order to accommodate such changes. It is the people on the ground that will note such changes and suggest appropriate changes in the policy and or strategy.

The study found that juniors have the feel of what happens on the ground and could be a source of suggestion to the improvement of the implementation process. It was established that top managers will always get their suggestions but upon receiving

them they ignore. A plan could be followed in one way or another and will require some revision.

4.5 Addressing Strategy Implementation Challenges

Although the study found strategy implementation faced quite a number of challenges at CCN, the council needed to be on course. CCN had to ensure that overall objectives are achieved within the stipulated time frames by instituting measures to cope with these challenges in good time.

The corporate strategy was almost rendered inappropriate by emergent issues arising from turbulent environment. These issues were identified as important and needed to be incorporated into strategy to ensure desired objectives are achieved. The council had to make strategy dynamic by accommodating these new ideas so that it remains on focus to attaining the ultimate goal.

In as a much as managers appreciate need to be tailor made for each situation, there are certain basics that have to be covered no matter the organization's circumstances. They include building an organization liable of carrying strategy successfully, developing budget to steer adequate resources into those value chain activities critical to strategy success, establishing strategy supporting policies and procedures, instituting best practices and pushing for continuous improvements and how activities are performed, installing information, communication and operating systems that enable company personnel to carry out their strategic roles successfully day in day out.

Also important is tying rewards and incentives to achievement of performance objectives and good strategy execution creating a strategy supportive environment and corporate culture and establishing the internal leadership needed to drive implementation forward and keep improving on how strategy is being implemented. Strategy implementation is about managing change and resistance to change. City Council of Nairobi ensured all staffs were involved in the entire strategy formulation and implementation process. The Council initially communicated the intended changes through training, monitoring, message boards and various bulletins. The study established that customers were also informed of need to change through forums by CCN's management and councilors.

Communication was performed during various forums with staff, customers and directors of CCN. During these forums the consequences of not implementing formulated strategies and future benefits of intended changes were communicated. For instance the customers, staff and other stakeholders were reminded of the fact that CCN needed change in order to achieve its goals and objectives. Employees were provided with lists of customer desires and preferences and how the council responded to them. This enabled staff and stakeholders share the vision with the management hence they were able to support the change and participate in strategy implementation process.

In the past CCN relied on its own resources and had no much assistance from other partners. In order to address the financial constrains that inhibited on strategy implementation. The council started partnering with public and private entities on

public private partnership in many areas like beatification of garden, rehabilitation of structures etc.

The study found out that in the engineering departmental focused in installation of more traffic control signals in order to ease traffic. It partnered with the Kenya Roads Board to improve, expand and maintain the road network within the city. The Council also embarked on reconstruction and repair of roads. There were numerous temporary road by passes and link roads opened up to ease traffic. Enforcement of the by-laws on construction to ensure only approved buildings was constructed. The Council also partnered with the Institute of Engineers and Architects of Kenya to ensure plans were only submitted by qualified practitioners. With inadequate staff capacity in this field, self-regulation was encouraged among the practitioners through their institute. Site boards on all construction sites were made mandatory disclosing the architect, engineers and the client.

Respondents indicated that City Council of Nairobi in conjunction with the development partners like CDF Committees in a bid to solve problems noted in Free Primary Education constructed new classrooms in already existing schools. The Council resorted to hiring additional teachers through PTA to increase the existing capacity and also providing substitutes through LATF and CDF to improve facilities and equipment in schools.

In the public Health Department, the respondents indicated that rehabilitation of healthcare facilities was undertaken using CDF subsidies which facilitated also new health care centers. The government facilitated the Council by posting more nurses to

the health centers to supplement the efforts of the Council. The management of these health care facilities was placed under the Nairobi Health Management Board. The operation of the board was given autonomy in decision making and seeking funds.

Respondents indicated that the Council through the department of Environment introduced comprehensive beautification program. The Council hired florists and landscaping specialists to ensure high standards of beautification. It also established an elaborate cleaning program introducing working in shifts in some departments. The Council introduced garbage collection services by private contractors within the estates as a way of tackling the garbage menace. The council also engaged the youth and more so the un-employed to form groups and be collecting garbage at a fee from the business premises within the shopping centers and market places.

The aggressive lighting of the city to reduce crime levels was noted. This was through partnership with various stakeholders including the Adopt a Light and others. The Council conducted numerous training to its staff on Local Crime Prevention and developed a comprehensive tool kit highlighting the process necessary for successful crime prevention. Day to day patrols were introduced, relocation of street families and introduction of rehabilitation centers and recreation facilities re-introduced.

Respondents indicated that in the investigation and information analysis, the Council has been collecting information and setting standards in various centers. These included ensuring that staff signed performance contract according to set standards and are periodically evaluated. The Council conducted training of staff in the performance contracting, setting targets, reporting and in the Rapid Result Initiative.

The researcher established that in order for the council to improve effectiveness, it decentralized its services to the ward level. Officers were taken from offices and tasked to deliver services at the lowest administrative unit in order that services may be felt. This enabled proper monitoring and supervision of service delivery by employees. The decentralization program ensured compliance on the part of residents on various by-laws while the employees were to be easily reachable by the clients.

The council partnered with the government in the construction of Muthurwa Hawkers Market and the Ngara Market. This was aimed at solving the problem of hawking in the streets of Nairobi where the hawkers were considered a menace. The researcher established that the Council is in the process of preparing a blueprint for managing growth and development over the next 20 years focusing not only on economy but also on social environmental aspects for sustainable development.

The study found out that the council enhanced the remuneration of salaries and allowances of its employees. This was done in the year 2007 and a further review done in 2010. This increase in remuneration and allowances was to motivate staff and discourage them from engaging in un-ethical practices. There was also a staff count exhibit the true number of workers. New job descriptions were made and recommendations for right placements were done.

The introduction of performance contracting and the Rapid Result Initiative (RRI) initiatives were aimed at improving performance and service delivery. The researcher established that the council has devolved this practice to the sectional levels and to

every member of staff. Activities identified within various departments were to be completed within one hundred days. The researcher noted that the council was in its eighth wave of the RRI. The respondents indicated that there was a lot of improvement achieved through such initiatives.

In an effort to ensure that stakeholders were involved in decision making. The council introduced the (Local Authorities Service Delivery Action Plans) LASDAP where the council did conduct meetings at the ward level to have Wananchi identify the projects to be undertaken and evaluation and monitoring closely. Committees representing the residents were formed to ensure whatever was identified by the residents was carried out.

Issuance of the staff code of ethics booklets to each employee detailing the vision, mission and the council's core values was a proper way of communicating to the employees. It also included the disciplinary procedures which ensured employees were committed to service. Staffs were issued with new generation staff identity cards for ease of recognition and to avoid fraudsters who disguise as council employees.

The council also publishes bimonthly newsletters which handle all council issues including complaints, safety and crime related issues. It was a proper way of communicating progress of various projects and indication of the direction the council is headed to.

The researcher established that the council ensured focused operations by various council departments creating stronger partnerships with government, private sector, civil society and having coordinated and integrated action plan to the community

level. The council has had a comprehensive review of city by-laws which is viewed as key urban governance through consultative and participatory approach.

4.6 Discussion of Results

4.6.1 Comparison with Theory

Chaos theory suggests a need for a continuous strategy development and implementation process that involves all organizational members in the creation of a flexible, fluid plan. Formal strategic planning and implementation needs to be a continuous process because of rapid changes, uncertainties, and shifts in the environment. Such an approach would increase an organization's knowledge, environmental fit, and flexibility as it evolves a sound business strategy. (Bechtold, 1997). The study is in agreement with the theory. There were emergent issues and government directives like provision of free primary education affordable healthcare that made the council review its strategies. Also alignment of the Council Strategies to the National blue print of the Vision 2030 which had outlined the key areas that the Local authorities were to handle. This revision has also increased awareness of the environment by the employees who do implement the strategies

Lack of involvement of all the employees, councilors and other stakeholders at first brought a lot of resistance to change. A number of civil suits were filed in court blocking the Council from increasing fees and charges in various areas. The council on the other hand had to develop a new structure that fits the strategy to ensure success in the implementation.

Mintberg's theory of emergent strategies indicate that strategy is a stream of decisions. There is contrast between deliberate strategies, that is, patterns intended before being realized and emergent strategies, that is, patterns realized despite or in the absence of intentions (Mintberg's 1979). Emergent strategies were rather common in the Council. The researcher is in agreement with this theory since even when strategy was created and reviewed, there were still emergent issues. Example was the post election violence that rendered so many homeless and increased the number of street families in the city. The council was mandated by law to have all school going children housed and attend school. Even without budget for such activities, this had to be addressed.

4.7.2 Comparison with Other Studies

This study attempted to find out how CCN implements documented strategies stipulated in its corporate plan. In order to achieve this objective, the researcher studied practices adopted by CCN management to do so. The findings of this study indicate that CCN implements strategies by developing planning and control systems, setting performance targets on weekly, monthly, quarterly and annual basis under direct supervision of implementation process. This finding is in agreement with the findings of past researchers. According to David (1997), strategy implementation is concerned with both planning how the choice of strategy can be put into effect and managing the changes required.

In translating strategies and certain plans into actions and acceptable results, the study established that choice of an implementation plan is independent on the area in which implementation alternatives are undertaken. To affirm this, direct supervision was employed which involves direct control of strategic decisions by one or few

individuals mostly the chief executive for direction in the change of various departments in the organization. Most of the managers adopt direct supervision as a participative approach to strategy implementation. Supervisory exercise is carried out in line with the reporting lines. This finding is similar to what Thomson and Strickland (1997) stated in his book that every manager has to think through the question “what has to be done in my area to implement our part of the strategic plan and what should I do to get things accomplished”

CCN sets performance targets to implement its strategies. The study found out that, targets are set at all levels differently. CCN consistently set targets for each department. The department set for the sections and then the sections set for respective staffs. The targets are set in light of what the department or individual has been able to achieve in the past. The study further established that successful strategy implementation require adequate coordination and collaboration of implementation of activities within the departments. Managers make it a culture to explain new strategies and highlight the benefits that will be accrued. These findings are in agreement with other findings of past researchers. According to David (1997), for successful implementation of strategies, there is need to mobilize employees and managers to put formulated strategies into action.

The study found out that the organization structure of CCN has been changed only once since the first corporate plan was launched in 2006. This was to expand the number of departments from the then ten to sixteen. Service departments were formed to facilitate efficient execution of duties. The departments added were Investigations and Information Analysis, Audit, Procurement, Human Resource, Legal, Information

Communication and Technology. The structure is now functional based in order to support the strategy being implemented and aid achieving the overall objectives. These findings are similar to findings arrived at by Kariuki (2004) his research findings which he stated that organization implement their strategies through their organizational structures.

The Town Clerk who is the CEO was sponsor of the implementation of strategy. However, he delegated to the deputy town clerk reforms. It was found that the deputy town clerk did not provide the most needed guidance and direction to achieve the target results in light of CCN situation. He has endeavored to make all members of the organization focus their effort in one direction and this unity of direction was important for successful strategy implementation. The Town Clerk did not provide proper motivation and encouragement to assist in achieving strategy implementation. The leadership style was faulted by the employees who felt that team work was lacking and their contributions were hardly considered. There was therefore no proper leadership provided by the chief executive. According to Koske (2003), he established in his research that organizational leadership is essential for effective strategy implementation. According to him, leadership is considered to be one of the most essential elements affecting the organizational performance.

The study established that corporate strategy crafted was partly inappropriate at the time of implementation because it was done without taking into consideration stakeholders. The corporate strategy was faulted by key stakeholders not because it was not crafted properly, but because CCN did not involve them right from the onset. An example was the rejection of the increased fees and charges. Stakeholders took the

council to court where the council eventually lost. As a result, the corporate strategy had to be updated in order to remain relevant to the overall corporate goals and objectives. These findings are consistent to what Pearce and Robinson (2004) advised in their book, that challenges can arise when attempts are made to implement strategy because of unpredictable reactions and happenings of the environment. According to Porter (1996) he said, whereas the plan can be devised under pollution free, almost laboratory conditions, the working out of the plan takes place in the real world infected with real world variables yet the whole point of strategy is that it will be implemented and implemented successfully come what may.

The respondents cited inadequate funding, staffing, office spaces, furniture and equipment and inadequate skilled manpower were experienced because it was found that the council rely on funds from own collection and a central government transfers with conditionality difficult to meet. Also strategies could not be implemented in areas where there was no infrastructure like the wide area network to facilitate automation, stand by generators secure offices to help achieve overall goal of the Council. This finding is in agreement with the past findings of similar research projects whose outcomes showed that it is not possible to implement strategy which requires more resources than can be made available by the company. According to Harvey (1998), he stated that there must be enough resources to carry out each part of the strategic plan. It should therefore be possible to implement a strategy with the resources available and it is not possible to implement a strategy which requires more resources than is available.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section mainly summaries the findings, draw conclusion and make appropriate recommendation of the study based on research objectives. Below is the summary of the research, findings and recommendation thereon.

5.2 Summary of Findings

5.2.1 Strategy Implementation at CCN

The first objective was to establish the strategy implementation at the City Council of Nairobi. The study revealed that the City Council of Nairobi has a well-developed corporate plan which provides guidelines for each department to draw action plans. The management takes the leading role in the strategy implementation. The performance contract indicators for each department are tied to the departmental strategies which in the end help achieve the corporate plans.

The City Council of Nairobi implements its strategies through a top down approach where the heads of departments formulate plans of actions and then delegate to lower level managers who in turn delegate to the individual employees at the technical and implementation level. The indicators within each department are broken down to sectional, then to units and finally to individual levels. Monthly reports are always provided to indicate the level of implementation and to allow for corrective measures. Staff appraisal on the performance is done semi-annually by the supervisors. This

forms part of recommendation for promotion which will be based on merit and performance.

To ensure successful implementation, the structure was changed to have functional departments. The number of departments was increased from the then ten to sixteen. The new departments were staffed with the employees drawn from various departments. The water department was commercialized to ensure proper service delivery and closer focus on the customers. Its operations were made autonomous to ensure better services and reduce bureaucratic processes. The health clinics were put under a semi-autonomous board to increase the level of efficiency and for them to concentrate on the core activities of health provision.

The other approach was corporate governance through creation of various council committees that were not in existence. The creation of audit committee was to ensure with all the legal requirements and value for money expenditures. The audit department was now expected to report to the audit committee whose composition is councilors. The chief executive no longer has the absolute authority in policy formulation and implementation. The recruitment of the chief executive is now through competitive process and is on three years contract only renewable depending on successful performance. The council was also able to employ a number of key professionals in the areas of engineering, accountancy, legal, valuation, planning, valuation and architecture. These were able to bridge the performance gaps identified.

The council also set aside adequate budget of 2% of total revenue for training staff and capacity building. Employees were highly trained on customer relations, revenue

collection, performance contracting, financial management for non-financial managers, drugs and substance abuse. The senior and middle level managers were sponsored for various courses in Government training institutes.

5.2.2 Challenges to Strategy Implementation at the CCN

The second objective was to determine the challenges that CCN faced during the implementation of its strategy. The finding of the study saw that some aspects of culture and structure, organizational politics, central government decisions, inadequate financial resources, demotivated staff and resistance to change as some of the major challenges in the implementation of strategies. Corruption, lack of proper systems and failure to appreciate and adopt Information and Communication Technology were also major challenges to the implementation of strategies. There was notable turnover of staff especially the higher cadre of staff which brought about lack of consistency in the strategy implementation.

The study also indicate a mix of values and beliefs that have been propagated by people who have held senior positions in management for considerable long period. These aspects have been instilled to other members of staff and define “the way of doing things here” hence the organizational culture.

CCN has a rigid structure and is formed towards the nature of environment/ business it is engaged in. The structure defines the reporting procedure which is unnecessarily long and time consuming with nineteen levels. This slows down decision making and avoidance of taking responsibility. A lot of duplication of roles was identified and many supervisory staff at the expense of the technical people.

5.2.3 Addressing the Implementation Challenges by CCN

The third objective was to determine how CCN address the challenges it encounters. While implementing strategies, the implementation is about managing change and resistance to change can be considered the biggest threat to successful implementation. The Council has done a number of things in response to the challenges and to continue meeting the demand for services. The council engaged itself in communication of strategies to all its employees. Tying of the performance contract and budgeting with the strategic plan was one way of ensuring understandability of the strategies. The council also introduced a forum for reporting the status of the strategy implementation. The report is done semi-annually to ensure control and corrective measures in good time. Employees were also actively involved in the review of the strategic plan unlike in the past.

With inadequate financial and human resource, the Council undertook installation of street and public lighting through partnerships and reconstruction and repair of roads as an agent of the Kenya Urban Roads Authority. The Council facilitated construction of low cost houses through partnership and funding under the Kenya Slum Upgrading Program. Beautification of the gardens and roundabouts in the city was done through partnership with private enterprises. The construction of public toilets was through built operate and transfer agreements. The Council also put some of its entities like the Pumwani maternity hospital and all the other health clinics under the health management board. All these were done to bridge the resource gap more so the financial and human resource capacity.

There was an effort to increase computerization in some areas more so the finance and planning departments. Engagement of the public in identification of the projects was given more weight. Such projects were considered to be of long-term nature. To ensure security and encourage ownership of such projects by the public, the council ensured that once a contract was given out, the locals would participate by providing of labor.

Crime and corruption prevention was heightened through establishment of Investigation department where police officers were seconded to the Council. Signing of performance contracts by all members of staff, periodic staff appraisal and establishment of performance evaluation done by external evaluators for the senior and middle level managers has helped reduce resistance to change. This has also increased the level of awareness of the Council strategies among staff. Decentralization of staff to the ward level increased service provision to the citizens.

5.3 Conclusion

The study established that the council now operates with departmental strategies which are aligned to the corporate strategy. The corporate strategy is aligned to the national strategy. Revision of the strategic plan is done when need arises and more so when the government changes so as to align with the strategies of the government of the day. Political interference is highly experienced in the council. Structural adjustment takes more time due to the bureaucratic and strict requirement by the central government and the scheme of service.

Inadequacy of financial resources is not addressed by the central Government and thus the council continues to be debt ridden while services continue to deteriorate. Some services should be taken by the central government due to their nature like the fire-fighting services. The government should also subsidize garbage collection by contributing toward environmental management. The Council must establish new ways of survival through partnering, sourcing for funding from donor agencies and embracing ICT in all its operations.

5.4 Recommendation

The study recommends that CCN should embrace Information Communication and Technology by comprehensively computerizing in its operations. This will improve efficiency, client focus and reduce cost of operations. The council should look for more revenue sources and stop relying only on the historical areas like rates, permits and parking fees.

The Council should be innovative in getting wider revenue base since it is only through increased revenues that implementation of plans will be achieved. Retention of quality employees through proper remuneration and motivation will be realized.

The council should outsource most of their non-core activities like the collection of revenue, office cleaning, garbage collection, motor vehicle operations and construction. The main roles should be regulatory and compliance checks and other inbound logistics. The council should rebrand to create a positive image in the eyes of the citizens and other stakeholders. This will improve the relationship with other agencies such as private, government and non-governmental organizations.

5.5 Limitations of the Study

The study was carried out in the City Council of Nairobi and therefore may not fully reflect the same for other local authorities. Some of the respondents viewed part of the information sought as confidential and therefore deliberately declined to divulge full information.

Some respondents were rather busy and therefore were not available to fill the questionnaire and return the same on time. Though the researcher wished to administer data collection tools to the heads of departments, it was not possible and hence some delegated to their juniors.

5.6 Suggestions for Further Research

The study was done on the City Council of Nairobi only. Every organization has its uniqueness on culture, staff, structure, resources and the environment it operates in is different from others. Local authorities may be similar in mandate but the size, location, political interference and strategic intent may differ.

A similar study should therefore be done on other Local Authorities in Kenya. This will shed more light on the successes and uniqueness in the implementation of strategies in other Local Authorities and address challenges if any.

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APPENDIX I: INTRODUCTION LETTER

Luke M. Gatimu
University of Nairobi
School of Business
20TH MAY 2012

Dear respondent,

I am a postgraduate student at the University of Nairobi, undertaking a Masters Degree in Business Administration. As part of partial fulfillment I am conducting a management project paper on: “**THE CHALLENGES TO IMPLEMENTING STRATEGY AT THE CITY COUNCIL OF NAIROBI**”. For this reason I would appreciate if you would kindly spare a few minutes of your time to fill in the blanks in the attached list of questions to the best of your knowledge as they apply to yourself or your department at CCN.

The information in this questionnaire will be treated with confidentiality and in no instance will your name be mentioned in this research. In addition, the information will not be used for any purpose other than for academic research.

Your assistance in facilitating the same will be highly appreciated.

Thank you in advance.

Yours Faithfully,

LUKE M. GATIMU
MBA STUDENT
UNIVERSITY OF NAIROBI

APPENDIX II: INTERVIEW GUIDE

SECTION A: BACKGROUND INFORMATION

1. Name _____
2. Department _____
3. Designation _____
4. Years of service in the council _____
5. Years of service in current position _____

SECTION B

- 1). What forces necessitated change and formulation of strategy at the CCN?
- 2). Who participated in the formulation of Strategic Plan?
- 3). To what extent do you think that strategic plan was necessary at CCN?
- 4). (a) Are the strategic goals of the CCN linked to those of Ministry of Local Government?

(b) If yes, does the ministry support you in implementing your strategies and what kind of support do they provide?
- 5). How was the strategy implementation process carried out?
- 6). How has the management been able to support strategy implementation at the CCN?
- 7). How flexible to change in management is the CCN to align to the strategies?
- 8). Explain how plans are being implemented in the organization?
- 9). What management instruments has the organization used for the reforms?

- 10). How is the strategy implementation monitored in the organization?
- 11). How often is the strategic plan reviewed and for what reasons?
- 12). In what ways do you think the reforms have impacted on the employees' work and the organization as whole?
- 13). What are some of the serious challenges that the organization has experienced in strategy implementation?
- 14). What were the main causes of these challenges?
- 15). How were these challenges addressed?
- 16). What recommendations would you make to CCN to ensure effectiveness in implementation of existing strategies?

APPENDIX III: LIST OF DEPARTMENTS

Departments at NCC as at May 2012

1. Public Health
2. City Inspectorate
3. Social Services and Housing
4. Environment
5. Administration
6. City Treasurer's
7. City Engineer's
8. City Education
9. City Planning
10. Housing Development
11. Human Resources Management
12. Procurement
13. Legal Affairs
14. Investigations and Information analysis
15. Information Communication and Technology
16. Internal Audit