STAKEHOLDER INVOLVEMENT IN STRATEGY IMPLEMENTATION AT LAKE VICTORIA SOUTH WATER SERVICES BOARD, KENYA

BY

AWINO JACKLINE MUNENE

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF THE UNIVERSITY OF NAIROBI

OCTOBER 2013

DECLARATION

This research project report is my original work and has not been presented for an award in any other university.

Sign:…………………………………………………………. Date:……………………
Awino Jackline Munene
D61/60783/2011

I confirm that this research project report has been prepared and presented to the University of Nairobi for examination by the student under my supervision.

Sign:…………………………………………………………. Date:……………………
Mr. Alex Jaleha
University of Nairobi

DEDICATION

I dedicate this research work to my children Joy, Fortune and Shammah for their unwavering

love and giving me the reason to fight to the end.

ACKNOWLEDGEMENT

To a special woman in my life 'Mama' Margaret Apiyo, thank you so much. You believed in me when nobody did and has pushed me through all the stages till this end. Your encouragement, moral and financial support went along way to enable me go through all the hurdles. Thank you 'Mama'.

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS

BoDs:	Board of Directors
CBO:	Community Based Organization
CSR:	Corporate Social Responsibility
DWO:	District Water Officer
ISEA:	Social and Ethical Accountability
LVSWSB:	Lake Victoria South Water Services Board
MD:	Managing Director
MDGs:	Millennium Development Goals
NRW:	Non-Revenue Water
PC:	Performance Contracting
SRI:	Stanford Research Institute
WAG:	Water Action Group
WRUAs:	Water Resources Users Associations
WSB:	Water Service Board
WSP:	Water Service Provider

ABSTRACT

The importance of identifying and including important stakeholders in the strategic management process is critical since when stakeholders are excluded, the relevance and anticipated benefits from the strategy will be limited. In this study, the objective was to investigate the extent of stakeholder involvement in strategy implementation at the Lake Victoria South Water Services Board (LVSWSB). Using a case study, an interview guide was used to gather data from various interviewees. The study found that LVSWSB had a wide range of primary stakeholders who it involved to a higher extent towards meeting its objectives as outlined in its service provision mandate. The Board had identified its core stakeholders and had already achieved milestones through their involvement. However, there were glaring imbalances in the involvement of stakeholders; the high-end stakeholder seemed to have higher preference as opposed to those at bottom-of-the-pyramid such as resident associations and community-based organizations. Based on the aforementioned, the study recommended wider inclusion of stakeholders in the Board's operational obligations. While this inclusion would ensure wider ownership of projects implementation and success, it would also assist in faster decision making to avoid stalling or abandonment of projects. The value of bottom-of-the-pyramid stakeholders needed not be downsized since they had a significant role that would influence project completion rate and overall success of the Board. In addition, it could be highly desirable for the Board to engage stakeholders especially those regulating its operations and funding agencies for the purpose of mitigating challenges which might distract the Board from its goal realization strategy. On this basis, there is need to investigate how different players can have harmonized application models that can be understood by all participants/stakeholders in the water sector. Also, it is worthwhile to conduct a detailed and cross-sectional practical examination among water sector players in Kenya to establish universal stakeholder involvement practices to help in unifying the national water service provision approaches while providing a basis for learning and continual service improvements.

CHAPTER ONE: INTRODUCTION

1.1   Background to the Study

Stakeholder involvement is a sub-process within the broader strategic planning and decision making process and key to effective stakeholder management (Mathur et al., 2008). Hitt et al (2001) emphasizes the benefits for the organization by describing stakeholder involvement as the confluence of corporate self-definition and occasional redefinition, impression management, and effective relationship maintenance with important partners. Sharma et al (2004) expand this perspective to include an organization's ability to develop collaborative relationships with a wide variety of economic and non-economic partners to find solutions to environmental problems. In the public sector, the OECD (2001) argues that engaging with citizens is a core element of good governance and benefits include improving the quality of policy making, and increasing accountability and transparency. As part of the responsibility toward good governance and to seek improved results, an organization needs to develop and maintain effective relationships with its primary stakeholders to ensure quality decision making (OECD, 2001).

Hitt et al (2001) traces the concept of stakeholder involvement to the 1960s from pioneering work at Stanford Research Institute, which argued that managers need to understand the concerns of shareholders, employees, lenders and suppliers, in order to develop objectives that stakeholders could support. Later, the concept gained prominence from Freeman's (1984) seminal text on "Strategic Management: A Stakeholder Approach". While this explicitly regarded the stakeholder approach to be a strategic management tool - instrumental as opposed to normative - the emergence and establishment of a social performance agenda

for business has highlighted the value of stakeholder theory as a normative approach that some argue is more ethically and morally acceptable than a shareholder value approach (Cooper, 2004). Jones (1995) argues that the instrumental stakeholder theory views stakeholders as important because addressing their needs is a good business practice. Since stakeholders influence the organization, good management of stakeholders may lead to marketplace success and the maximization of profit. Thus, the stakeholder concerns only enter a firm's decision making process if they have strategic value (Berman et al., 1999). On the other hand, the normative stakeholder theory prescribes how organizations ought to treat their stakeholders. The theory is discussed with strong pillars of moral principles and ethics and thus organizations should view their stakeholders as having intrinsic value (Freeman, 2007). The normative stakeholder approach provides the theoretical base for this study.

Lake Victoria South Water Services Board (LVSWSB), the context for this study, is a state corporation under the Ministry of Environment, Water and Natural Resources, established under the Water Act 2002. The Board is one of the eight Water Service Boards (WSBs) in Kenya and it covers all administrative counties in the former Nyanza Province and the southern part of former Rift Valley Province (LVSWSB Draft Strategic Plan, 2013-17). The Board's mandate is to ensure efficient and economical provision of water and sanitation services in its area of jurisdiction. Investment outlays for the Board are predominantly obtained from development partners, the Government of Kenya through normal budgetary process, Water Services Trust Fund, and levies/fees from contracted Water Services Providers (WSPs) within area of jurisdiction (LVSWSB Newsletter, 2012). Currently, the Board is working on a revised strategic plan running through the period of 2013 to 2017.

This revision has been necessitated by the emerging economic, political, social and technological developments that impact on the Board's operating environment. Moreover, the Kenya constitution 2010, which makes access to clean water a human right, brings an array of changes in the water sector in excess of the need of realigning service-provision to County governance structures (LVSWSB Draft Strategic Plan, 2013-17).

1.1.1 Stakeholder Involvement

Sloan (2009) describes stakeholder involvement as the process of engaging individuals and groups that are affected by the activities of the organization in a positive way. Similarly, the Institute of Social and Ethical Accountability (ISEA, 2005) defines stakeholder involvement as a process of seeking realistic stakeholder views on their relationship, the aim of which is to improve an organization's social and ethical accountability and performance (cited by Greenwood, 2007). According to Amaeshi and Crane (2006), stakeholder involvement emphasizes the need for engagement to be far reaching, inclusive and balanced. The effectiveness in stakeholder relationship management is achieved by engaging in dialogue and building relationships with as many different groups in order to find better ways of doing business.

The importance of identifying and including important stakeholders in the strategic management process is critical since when primary stakeholders are excluded, the relevance and anticipated benefits from the strategy will be limited (Pedersen, 2006). Hughes and Demetreious (2006) maintain that an organization's success depends on creating real dialogue with its diverse stakeholders. Lorca and Garcia-Diez (2004) describe two kinds of

stakeholders, voluntary and involuntary. The voluntary stakeholders contribute directly to the operations of the company and expect to receive benefits as a result. On the other hand, involuntary stakeholders are those who may be negatively affected by the decision, hence the guiding principle has to be the reduction or avoidance of harm to these stakeholders and/or the creation of offsetting benefits.

Regardless of whether the primary stakeholder is an individual, group or community, it is important for the organization to understand the various interests and the impacts of their decisions. Golembiewski (2000) describes levels of stakeholder interests as either a casual interest or the potential to be affected by the organization's actions, or an ownership/governance interest, or a legal claim or a moral claim. Freeman (2007) points out that the interests of each primary stakeholder group are multifaceted and connected to each other and those stakeholders' interests are shared.

Eden and Ackerman (1998) note that there are two essential processes in strategic management: developing strategy and implementing strategy, and that many of the difficulties organizations experience in trying to implement solutions to their problems have their root in failure to involve stakeholders. Sustainability, with its challenge to business to measure its performance against not just the financial bottom- line, but also its social and environmental impacts, implies a revision of the traditional business model with its primary focus on short-term profits and meeting shareholder concerns (Welford, 2000). Increasingly, stakeholder engagement is being preferred as a means of achieving strategic sustainability, not least in the business context (Sharma and Starik, 2004).

1.1.2 Strategy Implementation

Strategy implementation, according to Pearce and Robinson (2004), is the process through which strategy is translated into functional and operational targets. This is supported by Kotter and Best (1996) when they state that implementation addresses the who, where, when and how, and it is thus the tactic that drives the strategy of the company. Hussey (2000) suggests that strategy implementation follows a five step process namely, envision, activate, install, ensure, and recognize. Further, Hussey (2000), states that the implementation of strategy remains one of the most difficult areas of management. Its success depends both on the selection of an appropriate strategy and converting that strategy into action. If one of these aspects is deficient, the strategy may either fail or be less effective than it should be but it is often difficult to know after the event which aspect went wrong.

Hussey (2000) further explores the subject of successful strategy implementation by introducing the concept of "soft" and "hard" aspects of implementation. He argues that there are soft and hard elements which need to fit together if the strategy is to be implemented. The soft elements comprise the behavioural dimensions while the hard elements comprise the analytical dimensions to the process of making and the subsequent implementation of strategy. He contends that the issue then becomes one of creating a strategic fit between the soft and hard elements and organizational variables. Pearce and Robinson (2004) make the argument that to be successful, the strategic plan must have the support of every member of the firm. The more often primary stakeholders hear about the strategy, its elements, and ways to measure its success, the greater the possibility that they will undertake it as part of their

daily work lives. This positive reinforcement increases support of the plan and belief in its possibilities (Bechtell and Michele, 1995).

Galpin (1998) takes the position that what really makes the difference between successful and unsuccessful strategy deployment is the way management motivates and educates its people to act on a business strategy. While motivation and education are important, they are hardly adequate. When groups of employees fully understand the contents and the logic behind a strategic objective, they tend to feel a stirring inside to do something to achieve it especially when they can see what's in it for them. Becker, et al. (2001) observes that while human capital is the foundation for creating value in the new economy, human assets are the least understood by most business leaders and therefore the least effectively managed. Human Resource can help effect improvements in both technology and business processes by helping to break down silos and enhance cross-company communication, top to bottom, side to side. Unless employees have real incentives to implement the strategy, they will not commit to it, and the strategy will probably fail.

1.2   Lake Victoria South Water Services Board

Lake Victoria South Water Services Board (LVSWSB) is a state corporation under the Ministry of Environment, Water and Natural Resources. It was established under the Water Act 2002 through Gazette Notice No. 1714 of 12th March 2004. The Board started its operations in 2004 in administrative counties within former Nyanza Province and the southern part of former Rift Valley Province. LVSWSB was among the eight Water Service Boards (WSBs) established all over the country (LVSWSB Draft Strategic Plan, 2013-17).

The Board's mandate is to ensure efficient and economical provision of water and sanitation services in its area of jurisdiction in line with Water Act 2002. The board's strategic intent is driven by the Board of Directors (BoDs) whose membership is built from diverse skills and expertise. The directors negotiate and signe strategic targets which are then cascaded down to the staff through the Chief Executive Officer, departmental heads and divisional heads. The Board's finances are predominantly obtained from development partners, the Government of Kenya through normal budgetary process, Water Services Trust Fund, and levies/fees from contracted water services providers within area of jurisdiction (LVSWSB Newsletter, 2012).

By the time of the study, the Board was working on a revised strategic plan that was set to run through the period of 2013 to 2017. The revision of the plan had been necessitated by the emerging economic, political, social and technological developments that impacted its operating environment. The promulgation of the Kenya constitution 2010 also brought array of changes in the water sector with a new water bill 2012 set to change the water sector in Kenya and realignment to the county governments. Despite the fact that the Board had made mile-stones in strategic management, there is need for stakeholders to be more involved in implementation to ensure the plans are translated into actions (LVSWSB Draft Strategic Plan, 2013-17).

1.3   Research Problem

An ideal partnership between stakeholders and organizations is a two-way relationship in the understanding that stakeholders provide support and contribute in many different ways, while organizations in return seek to satisfy their expectations and honour their legitimate claims (Dietz and Stern, 2008). Stakeholders need to get involved in all stages of developing and implementing strategy and in making decisions about its scope, the process and outcomes. In many organizations, however, there is lack of ownership of strategic processes by stakeholders.   Their role is totally neglected and only used to rubber stamp what the management feels right for them. The reason for this is the perceived lack of balanced participation and excessive control by management (Cozby, 2005).   To confront this problem, there is need to identify and define the respective roles each stakeholder needs to play depending on the interests they hold.

Like many other organizations, LVSWSB operated in an ever changing business environment and was therefore compelled to align its strategy to befit evolving turbulence for survival and sustainable competitive edge. In its mandate to provide safe drinking water and sanitation services, it was required to competitively meet the new-level constitutional ideals which provided that every Kenyan had a right to reasonable standards of sanitation and access to clean and safe water in adequate quantities. Obviously, these unprecedented constitutional standards constituted a challenge to the Board in terms of higher strategic deliverables, improved service satisfaction to heightened public demand, and strict regulatory compliance. These new developments compelled LVSWSB to involve key stakeholders in all

its activities for effective implementation of their strategies (LVSWSB Draft Strategic Plan, 2013-17).

Various studies had focused on issues of stakeholder involvement. Mogeni (2011), in her study at Teachers Service Commission (TSC), focused on the external stakeholders influence on strategy implementation, while Kirui (2012) studied on strategy implementation in Migori county without considering influence of stakeholder participation. In other studies Musyoka (2009) studied extent of stakeholder involvement in strategy formulation and implementation in National Social Security Fund. Abiero (2010) based his study on challenges of stakeholder management in implementation of Sondu Miriu Hydro-Electric Power. Notably, Onyari (2010) restricted his undertaking to challenges of strategy implementation at LVSWSB and concluded that before implementing a strategy, it is necessary to have stakeholders involved. None of these past studies addressed the issues regarding the extent of stakeholder involvement in strategy implementation at LVSWSB thus the gap this study sought to fill. This led to the following research question: to what extent is stakeholder involvement necessary in strategy implementation at Lake Victoria South Water Services Board.

1.4   Research Objectives

The objectives of this study were to:

(i)   Determine the extent of stakeholder involvement in strategy implementation at the LVSWSB in Kenya; and

(ii)   Establish factors influencing level of stakeholder involvement in strategy implementation at LVSWSB in Kenya.

1.5　Value of the Study

Findings from this study were invaluable to a number of stakeholders in and outside the water sector. First, the study's findings significantly contributed to the pool of existing knowledge regarding the concept of stakeholders' involvement and its implications on strategy implementation, specifically in the water sector. This would also aid in referencing and finding comparisons in the quest of getting an ideal strategy-ethics composition.

Second, the anticipated renewed policy approach to stakeholder involvement would culminate in improved water service provision, thus aiding the Government through Ministry of Environment, Water and Natural Resources realize its deliverables as documented in Millennium Development Goals (MDGs), Vision 2030, and constitution of Kenya 2010 which made water accessibility a human right. There was therefore need to harmonize sectoral approaches towards ensuring solid participation of key stakeholders so as not to derail strategy implementation.

Third, the LVSWSB would benefit from an independent appraisal regarding the extent to which its stakeholders were satisfied with strategic collectiveness. This would provide a viable springboard on whose strength the Board would determine its stakeholder-befitting strategic direction. The other WSBs would equivalently benefit from these findings in improving contributions from their stakeholders.　Finally, the donor agencies who had heavily invested in the water sector would be at a vantage to project strategic realizations and value creation through partnership. It was thus indispensable that LVSWSB and other WSBs embraced wider inclusion in quest of perfecting the sector's performance.

CHAPTER TWO: LITERATURE REVIEW

2.1   Introduction

This section presented reviewed literature related to this study. The areas include theoretical underpinnings of the study, stakeholder management and involvement, strategy implementation, stakeholder involvement in strategy implementation and factors influencing stakeholder involvement.

2.2   Theoretical Underpinnings of the Study

The traditional definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organizations' objectives" (Freeman, 1984: 56).   The general idea of the stakeholder concept is a redefinition of the organization.   In general the concept is about what the organization would be and how it should be conceptualized. Friedman (2006), states that the organization itself should be thought of as a grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints.   This stakeholder management is thought to be fulfilled by the manager's of a firm.   The managers should on one hand manage the corporation for the benefit of its stakeholders in order to ensure their rights and the participation in decision making and on the other hand the management must act as the stakeholders' agent to ensure the survival of the firm and safeguard long-term stakes of each group (Friedman, 2006).

The stakeholder theory suggests that an organization is a social construction made of interaction of various stakeholders.   The organization is envisioned as the center of a network

of stakeholders, a complex system of exchanging services, information, influence and other resources (Sloan, 2009). Harrison, Bosse et al. (2007) argues that an organization's value is created when it meets the needs of the firm's important stakeholders in a win-win fashion by attending to the interests of all their stakeholders – not just their shareholders. Stakeholders can be categorized as primary and secondary. Jawahar and Mclaughlin (2001) identify primary stakeholders as people or groups who are ultimately impacted either positively or negatively by the organizations actions such as customers, shareholders, employees, suppliers while secondary stakeholders are people or groups who can indirectly affect or be affected by the organizations actions such as the public, government agencies, non-governmental organizations, funding agencies.

A number of theories have been advanced by various scholars on the stakeholder-organizations relationships. Normative stakeholder theory prescribes how organizations ought to treat their stakeholders (Freeman, 1984). One of the central points in this realm is that organizations should attend to the interest of all their stakeholders – not just their shareholders. A common theme among the scholars of this theory is that firms should treat stakeholders as "ends" (Jawahar and Mclaughlin, 2001). Normative theory is discussed with strong pillars of moral principles and ethics and thus organizations should view their stakeholders as having intrinsic value.

The instrumental stakeholder theory views stakeholders as important because addressing their needs is also good business practice (Jones, 1995). Since stakeholders influence the organization, good management of stakeholders may lead to marketplace success and the

maximization of profit (Berman et al., 1999). The instrumental perspective looks primarily to benefit the firm. Stakeholder concerns only enter a firm's decision making process if they have strategic value. Unlike normative stakeholder management, stakeholders are considered part of the organizational strategy rather than what drives it. The strategic goal of the instrumental perspective is traditional organizational performance, such as financial growth. Proponents of best practice prescribe a focus on staff as well as stockholders for increased organizational performance. Similarly, the instrumental perspective is concerned with managing all stakeholders, such as staff, in order to gain financial benefit (Berman et al., 1999).

Donaldson and Preston (1995) put forward in their opinion that this theory considers that organization is what one finds at the centre of cooperation and competition situations, each of which possesses its own intrinsic value. Here the theory is being used to describe (and sometimes to explain) specific characteristics and behaviors, including for example firms' nature. How executives' management of their firms should be conceived of and how some organizations are actually being managed.

According to Savage el al. (2004), the basic principles of stakeholder theory include among others; the organization entering into relationship with many groups that influence or are influenced by the company. Freeman (1984) focused on the nature of these relationships in terms of processes and results for the company and stakeholders; the interests of all legitimate stakeholders are of intrinsic value and it is assumed that there is no single prevailing set of interests. The stakeholder theory focuses upon management decision

making; it explains how stakeholders try and influence organizational decision making processes so as to be consistent with their needs and priorities. As regards to organizations, there should be an attempt to understand and balance the interest of the various participants.

2.3   Stakeholder Management and Involvement

Participatory activities are increasingly being incorporated in policy development and resource management worldwide. This is partly due to a shift from a development-focused management paradigm to a new paradigm of integrated management across all levels, national, international and sub-national. It also has roots in the heightened public concern about the environment, deteriorating public trust in government, and the aim of gaining the consensus of stakeholders in decision making (Dietz and Stern 2008). Policy processes that include public participation are well grounded theoretically as a pragmatic response to the crisis of administrative rationalism and to the decline of public confidence in government and the deliberative process (Dryzek, 2005). In the field of environmental policy, where problems are highly controversial and value laden, different forms of public involvement and consultation have been used in agenda-setting and policy formulation as well as in conflict resolution for many years. However, whether they are effective in terms of improving the policy output, reducing conflict and fostering smoother implementation is still not well understood (Rowe and Frewer, 2004).

According to Rauschmayer and Wittmer (2006), engaging representative stakeholders is utilized to enrich the knowledge that supports the decision making process through local expertise; to enhance decisions legitimacy and to build institutional capacity. In fact,

stakeholders' participation processes have the potential of integrating expert science with non expert, locally based knowledge, especially when contingent valuation and public values are concerned. Dietz and Stern (2008), further argue that stakeholder involvement provides a mechanism for obtaining the consent of the governed in more specific ways than are possible with elections and also have the side effect of reducing litigation and adversarial confrontations. Finally, a denser relationship with the public, based on consistent opportunities for meeting and sharing concerns, is likely to build trust and credibility to facilitate policy implementation and revision processes.

According to Lubell et al. (2008), there is an overall agreement on the fact that stakeholder inclusion processes should be evaluated across five dimensions: the context and the characteristics of the problem; the available resources; what happens during the process; the decision produced and its consequences and the consequences of the participation process on the participants. The relevance of these five dimensions will vary depending on whether the decisions being made are about individual projects or broad issues, such as fashioning a comprehensive plan for watershed management, negotiated rule making, or when dealing with governance over common pool resources. When individual projects are at stake success can be measured in the ability of reconciling differences. Lubell et al. (2008) emphasize that in these situations it is necessary to evaluate the process, decisions, and consequences, in a single integrated assessment.

There is also appreciation that what works in one situation does not necessarily work in another. Webler and Tuler (2002) emphasize the need to better understand how factors such

as; the typology of the decision problem, the history of the conflict, the personalities involved, and the constellation of involved interests influencing the performance of involvement technique all come into play in shaping a process and its outcomes. The characteristics of the subjects involved and the consensus rules established at the beginning of the process are crucial to understanding the internal dynamics that lead to final decisions. Dietz and Stern (2008) add that the history of past confrontations among the participants to the process can be fatal. Finally, participatory processes need to foster a shared understanding of a problem and whether the participants involved feel empowered and contribute all at the same level (Dukes, 2004).

Although participatory processes offer the allure of agreements based on consensus, public support and successful policy implementation, these agreements are not without costs. Public involvement projects can be costly, time-consuming, and ineffective when not implemented in appropriate situations or with appropriate design and execution (Korfmacher, 2001). Legal requirements for agencies to take action may lead to many collaborative processes to be run by the agencies themselves, resulting in a "top-down" approach that negates many of the benefits of collaborative processes. Alternatively, when multiple agencies or jurisdictions are represented in the process there may be a lack of authority to creating binding resolutions from the group (Irvin and Stansbury, 2004).

Koontz et al. (2004) acknowledge that one concern is that compromises made during collaborative processes can lead to solutions less protective of natural resources than under traditional efforts. In addition, many question if these processes truly include a group of

stakeholders representative of the general population. Special interest groups are normally over-represented, because they may be most concerned with the economic impacts of regulation, while the general public may be less involved because of the large time commitments these processes require (Irvin and Stansbury 2004).

According to Newing and Frish (2009), when integrated in a formal decision making process, stakeholders' participation becomes a bureaucratic procedure and, as such, is exposed to a number of drawbacks. Participation processes can be manipulated by the organizations that promote them. They can ignore the results of the process or guide the selection process to reach a predetermined outcome. Participatory processes can be initiated simply to meet administrative requirements, to symbolically appease interested citizens and groups, and to deter litigation (Dietz and Stern, 2008). Also, outcomes may be hijacked by a vocal group of individuals that represents a minority view or by powerful stakeholders as the process may be monopolized by wealthier groups that have the resources and time to attend the meetings consistently (Delli Carpini et. al. 2004). Finally, the processes can backfire by exacerbating differences, further entrenching preexisting positions, and rendering agreement even more difficult (Sunstein 2001).

2.4   Strategy Implementation

According to Pearce and Robinson (2004), implementation stage is commonly referred to as action phase of the strategic management process. While other phases of formulation, analysis and choice of strategy are also important, these phases cannot ensure success alone. A strategy must be translated into action, and that action must be carefully implemented.

Implementation of strategy is initiated in three interrelated stages which include identification of measurable, mutually determined annual objectives, development of specific functional strategies and communication policies to guide decisions. David (2003) argues that strategies which are implemented within an organization should support the culture associated with the firm. The proposed strategy should preserve, emphasize, and enhance the culture, in accordance with the culture supporting the proposed strategy.

Pride and Ferrell (2003) define strategy implementation as the process of putting strategies into action. Both managers and employees should be involved in the implementation decision and adequate communication between all parties is important for successful implementation. Elements that require consideration during the implementation process include annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change, and organizational culture (David, 2003). According to Hussey (2000), the implementation of strategy remains one of the most difficult areas of management. Its success depends both on the selection of an appropriate strategy and converting that strategy into action. If some of these aspects are deficient the strategy may either fail or be less effective than it should be, but it is often difficult to know after the event which aspect went wrong (Hussey, 2000)

Organizations successful at strategy implementation effectively manage six key supporting factors which include action planning, organization structure, human resources, the annual business plan, monitoring and control and linkage. First, they develop detailed action plans, which are chronological lists of action steps (tactics) which add the necessary detail to their

strategies, and assign responsibility to a specific individual for accomplishing each of those action steps. Also, they set a due date and estimate the resources required to accomplish each of their action steps. Thus they translate their broad strategy statement into a number of specific work assignments. Next, those successful give thought to their organizational structure. They ask if their intended strategy fits their current structure (Lawler and Mohrman, 2000).

2.5   Stakeholder involvement in Strategy Implementation

It is important to note that stakeholder involvement and commitment is crucial to successful strategy and its implementation. It also does facilitate the mapping of current and potential stakeholder roles and inputs for easy access to implementation instruments. Stakeholder analysis can be used to identify and determine the key actors and assess their knowledge, interests, positions, alliances and their importance-related to the proposed policies. This will help in mitigating stakeholder conflict and resistance in the process of implementation and allow full involvement in strategy (Jansky and Uitto, 2005).

Experience has shown that inclusion of the full range of stakeholders is not only an essential precondition for successful participatory decision making but also for the promotion of equity and social justice in governance. For instance, when any decisions are made without involving the relevant stakeholders, the result is usually misguided strategies and obvious inappropriate action plans which are badly implemented and which have negative effects on the organization (Pearce and Robinson, 2004).

Stakeholder analysis will ensure that no stakeholder is left or missed out and provide a framework for the optimization of the roles and contributions of the said stakeholder. Where participation is generated through careful analysis of the key stakeholders, their roles and contributions, then the process becomes more effective and efficient and also the equity gains will be maximized in their governance (Hughes and Demetreious, 2006).

According to Sloan (2009), stakeholder involvement also needs to be reactive to respond to the ever changing external environment. This can be done by taking into account various measures to avoid or overcome potential problems. A commitment should be given to provide consistent and transparent information to all stakeholders throughout the lifetime of the strategic process. One of the biggest problems come up when, after bringing together various stakeholders through the involvement process, there is no follow-up and the flow of information and sense of involvement ceases. Savage el al. (2004) argues that stakeholders are vital sources of information and should always be encouraged to participate in a process, even where they are fundamentally opposed to it. Furthermore, any project can be improved through a process of critical analysis.

The agendas of the stakeholders will not always be the same as those of the process management team. Understanding what motivates the stakeholders is a major step towards overcoming external barriers. Bringing the groups together, using various engagement tools like visioning exercises, will help to illustrate opposing views and can engender greater understanding between stakeholders on their respective points of view (Sloan, 2009).

Processes that fail to respond to criticism can become really unpopular, creating major opposition. Breakdown in communication between the teams responsible for the process and the decision makers is a frequent cause of problems. It can lead to a lack of political support for the process, or unwillingness to face up to the opposition. Even where decision-makers are represented on the project management team, do not assume that the process has the full support of the decision-making body as a whole. These people should regularly be engaged as the process progresses to ensure continued support (Cooper, 2004).

The increased use of collaboration in water resource management has resulted in many researchers recognizing the need for evaluation to examine what has been learned and how collaborative efforts may be adjusted in the future (Leach and Pelkey, 2001). Koontz and Johnson (2004) collected data from Ohio watershed groups to determine if the composition of the stakeholders affected group accomplishments. From their research, they found that groups with diverse stakeholder representation excelled in creating plans and prioritizing issues. Groups with an equal balance of governmental and non-governmental representatives prioritized planning, research, and maintenance goals, while groups lacking governmental representatives prioritized only policy changes (Koontz and Johnson 2004). Duram and Brown (1999) analyzed survey responses from 64 federally funded watershed planning initiatives to assess the success of public participation. They found public participation to be most useful during the planning stages of outreach, and in identifying and prioritizing issues. In addition, they found public participation efforts increased awareness of water conditions, increased interagency communication, and reached consensus on resource management plans (Duram and Brown, 1999).

2.6 Factors Influencing Stakeholder Involvement in Strategy Implementation

Greenwood (2007) observes that many accounts of stakeholder activities focus on the attributes of the organizations or the attributes of the stakeholders rather than on the attributes of the relationship between organizations and stakeholders. Thus, very little is known about how firms actually engage or relate with their stakeholders, particularly nonmarket stakeholders. Senecah (2004) suggests that the most essential criteria for meaningful involvement include: providing stakeholders with opportunities to speak without fear, ensuring that all opinions are respected and enabling stakeholders to influence resulting actions. Freeman (2007) believes that honest, open and fair engagement of stakeholders is necessary for business organizations to function properly. Chinyio and Akintoye (2008) also argue that if an organization fosters two-way communication, it is likely to increase trust that it is acting in the interests of others and thereby foster their willingness to act in the interest of the organization.

Noland and Phillips (2010) distinguish between firms merely interacting with stakeholders and engaging with them. They noted that interacting with stakeholders is logically necessary, but pointed out that a firm may interact with stakeholders without ever engaging them as people. On the other hand, engagement is interaction that involves, at a minimum, recognition and respect of common humanity, and taking cognizance of the ways in which the actions of one may affect others (Noland and Phillips, 2010). It is important to see stakeholders as individuals with names and faces. When stakeholders are viewed this way, it will help to put business and ethics together. Thus, seeing stakeholders as individuals with

names and faces enables managers to pursue their strategic objectives with a consciousness of moral obligations. Viewing stakeholders as individuals with names and faces could potentially provide a better framework for capturing the essence of stakeholder involvement (Noland and Phillips, 2010).

Zadek and Raynard (2002) analyzed the quality of firm's involvement by its procedural and responsiveness quality and the quality of the outcome. Procedural quality is related to how the engagement is undertaken and whether it reflects outlined purposes. How formalized the nature of procedures is also considered of importance; and whether it empowers stakeholders to initiate engagement on their own to surface their concerns and issues. The quality of responsiveness is related to whether an organization has responded coherently and responsibly to the issues raised by stakeholders; and whether the identified stakeholders' issues are reflected in the policies and practices of the organization thereafter. Friedman and Miles (2006) pointed out that quality stakeholder engagement must reflect a link between engagement and decision-making. Thus, it is the policies and practices of the organization that indicate whether stakeholders" issues, concerns or interests identified during engagement are taken into consideration. In addition, Doyle and Stern (2006) have pointed out that if an organization focuses on one stakeholder alone, the interests of its other stakeholders will be devalued. Stakeholders should therefore be managed collectively. However, their individual needs and uniqueness should also be taken into account.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1   Introduction

This chapter highlights the steps used to collect and analyze information to increase understanding of the research topic or issue. It consists of three steps namely; research design, data collection and data analysis.

3.2   Research Design

The study adopted a case study. Mugenda and Mugenda (2003) argue that a case study is an in-depth investigation of an individual, institution or phenomenon. The case study is usually useful when the phenomenon under investigation is difficult to study outside its natural setting and also when the concepts and variables under study are difficult to quantify. It is also useful when a how or why question is being asked about a contemporary set of events over which the investigator has little or no control (Yin, 2003).

The study was adopted since not all the potential populations were knowledgeable of the influence that stakeholders had on strategy implementation. In light of this, the design was deemed as the best to fulfill the objective of the study since the results were expected to provide an insight in understanding how primary stakeholders influence strategy implementation in LVSWSB.

3.3   Data Collection

The target population for this study involved 40 participants serving LVSWSB in capacities related to strategy implementation. These included five departmental heads at LVSWSB headquarters in Kisumu, five project managers for Non-delegated Projects, five chairpersons of rural water utilities (or Community-Based Organization - CBOs), 10 District Water Officers (DWOs), eight MDs at WSPs, three chairpersons of Water Resource Users Associations (WUAs), two chairpersons of Water Action Groups (WAGs), Chairman of Board of Directors, and the Board CEO.

In gathering data from the identified participants, the study adopted both primary and secondary data collection instruments in order to get the diverse viewpoints concerning the theme of study. An interview guide was used to collect data from the primary sources. Other than the itemized questions, probing items were also featured for in-depth conceptual and contextual understanding. According to Cozby (2005), interview is an inter-subjective enterprise of two persons talking about some common themes. The interviewer and interviewee often establish a rapport that helps motivate the person to answer all the questions and complete the survey. In addition, document review proforma was used to ascertain the secondary portion of data from sources such as LVSWSB strategic plan, Monitoring and Evaluation reports, performance contracts and quarter reports, press articles, empirical and scholarly disseminations, and online materials.

3.4   Data Analysis

The obtained data from the interview guide were analyzed using content analysis. The analysis entails procedures for collecting and organizing non-structured information into a standardized format that enables one to make inferences about the research objectives. Hsieh & Shannon (2005) define content analysis as a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns.

Data collected from the field were used to make general statements on how themes or categories of data were related. Data were examined and evidence combined to see if the research problem was addressed.   The collected data were compared with the theoretical approaches and findings by earlier researchers. This analysis was adopted to enable the researcher make distinctive judgment on the research subject matter.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1   Introduction

The chapter presents and discusses findings of the study on the basis of research data obtained from the various target participants in and outside the study's unit of analysis, LVSWSB. These findings have been clustered under different stakeholder involvement indicators which were adopted as the study's main foundations with the aim of addressing the study objectives of determining the extent of stakeholder involvement in strategy implementation and establishing factors influencing stakeholder involvement.

The study identified key resource persons in view of their knowledge regarding service provision mandate of the LVSWSB and possible existence of working/business or funding relationships. The internal stakeholders comprised of LVSWSB Chief Executive Officer, Chairman of the Board of Directors, and four departmental heads (Finance, Human Resources and Administration, Corporate Planning, and Technical Services). Moreover, there were primary external stakeholders who included five chairpersons of Community-Based Organizations (CBOs); eight WSP Managing Directors (Kisumu, Kericho, Gusii, Tililbei, South Nyanza, Migori, Nandi Hills, Siaya-Bondo); ten DWOs (Kisumu West, Kipkelion, Uriri, Nyatike, Ugenya, Siaya, Nyamira, Rongo, Transmara East and Kuria West); five Resident Associations (WRUAs and WAGs); and two Development Partners (AFD and ADB).

The face-to-face interviews were conducted by the researcher after seeking consent from the institutions' management. A single interview session was designed to take a period of about 20 − 25 minutes using a pretested schedule. The researcher wrote short notes against each interview item from where detailed explanations were derived. Later, a few clarifications were made using telephone conversations. By the end of the second week, all interviews had successfully been conducted, enabling the study to attain a full-scale response rate.

4.2   Strategy Implementation at LVSWSB

The LVSWSB had a consolidated water service strategy that it intended to implement not only through its internal capacity but also on strength of input from various water sector stakeholders. As a recipient of huge investment resources from the government and other funding agencies, both national and international, the Board was bound to meeting strategic obligations which would later determine succession of funding. This, perhaps, informed the rationale for official emphasis on wider participation. In the Board's Strategic Plan 2013 − 2017, stakeholders are distinctively defined to imply the value of their contributions towards overall goal realization.

The study observed that stakeholders, especially the region residents, had an elevated role that necessitated their obvious inclusion when designing and implementing service provision strategy. Information obtained from the Chief Executive Officer strongly justified the residents' value towards the Board's goal realization. The CEO retorted thus:

"The residents own the land and the water sources that we need to acquire, develop, and operate. At the end of it all, the same residents turn out to be consumers of our

service. This makes it hard to simply ignore them from participation right from the formulation phase, through the execution and finally maintenance." (CEO)

These views were superimposed by the Board's chairman who regarded the bottom-of-pyramid stakeholders as the primary drivers of strategic success. In his views, the chairman indicated that:

"The Board is in existence singularly for the service of the residents and any deviation from that commitment goes against the spirit of such existence. We are only trustees who seek to maximize their intents… That makes us not deviant to any views our customers give and want us to follow." (Board Chairman)

Further probing showed that some select projects had not been fully realized due to resistance emanating from the residents. Some of the areas attracting resistance included mass relocations of residents, acquisition of land, water abstraction and resultant effects, and issues related to land compensation. These possibilities made it compulsory for the Board management to consistently engage the stakeholders in perfecting formulation and implementation.

4.3   Stakeholder Involvement in Strategy Implementation at the LVSWSB

The extent to which the LVSWSB involved its stakeholders in core functions was studied using indicators such as identification of primary stakeholders, previous goal realization through the Board's stakeholders, involvement strategies, stakeholder resistance, commitment enhancement, communication with stakeholders, review of stakeholder roles, and stakeholder management challenges. Mainstream responses were obtained from the

internal stakeholders but analyzed against views and opinions originating from the external counterparts.

Interviewees from the LVSWSB were asked to enlist the primary stakeholders they regularly engaged in core functions undertaken by the Board. Based on this, it was established that the first three primary stakeholders embraced by the LVSWSB were donor/funding partners, Water Services Regulatory Board (WASREB) and Water Service Providers (WSPs). Clustering these three institutional stakeholders at the peak signified their contributive significance to the existence and continuity of the Board. The lower cluster of stakeholders included resident associations (WRUAs and WAGs), employees, contractors/suppliers, county governments, consultants and the general business community.

Feedback from the external stakeholders showed little knowledge on the range of primary stakeholders involved by LVSWSB. Specifically, resident associations and CBOs enlisted donor/funding agencies like AFD, UNICEF, ADB, EU, KFW among others as the most important and valued stakeholders with the Board. Though these corroborated the Board's justified inclination to donor partnerships, the associated views helped in understanding existence of skewed preferences by the Board when dealing with stakeholders. Some of the notable responses obtained from the CBOs and resident associations regarding the Board's primary stakeholders included:

> "These are project donors who make funds available for use by the Board"; "UNICEF because of its good work in drilling boreholes [sic]"; "the government because it is the one that finances the Boards"; and "financiers like ADB and UNICEF".

These suggestions illustrated that the bottom-of-the-pyramid stakeholders lacked fine understanding on the role of the Board and existing interdependences with other core sector players. Moreover, this singled out CBOs and resident associations as minor beneficiaries of stakeholder involvement at LVSWSB.

Still under identity of LVSWSB primary stakeholders, the study observed that donor partners, WSPs and DWO had a detailed understanding on the water sector's intertwined relationships. They were finitely able to disaggregate institutions and groups making up the stakeholder scope with LVSWSB. This was attributable to the fact that the stakeholder institutions were formally included in the water sector structure with defined roles and responsibilities. For instance, the WSPs had a defined role of aiding the water Board through a legally recognized pact called Service Provision Agreement (SPA); DWOs were also official representatives of the Board at the sub-county levels, while donor partners were included through formal funding agreements (grant or loan). Though the same structures stretched down to resident associations and CBOs, they were only required to register with the Board and did not exist as legal persons.

The significance of stakeholder involvement was emphasized by the fact that it was entrenched by the Board in its strategic plans. In the draft Strategic Plan 2013/17, stakeholders were specified as donors, WSPs, CBO, resident associations, Government of Kenya, regulatory agencies like WASREB and WARMA, and county governments. The study's general observation was that despite inherent challenges in dealing with each and

every institution or individual, LVSWSB had distinct primary stakeholders who would be mobilized to fasten goal-realization.

The study established core milestones realized by the Board through engagement of its primary stakeholders. Most importantly, the Board mobilized the stakeholders towards development of strategic plan 2007-2010 and draft strategic plan 2013-17. This was attained through financial support from donor agencies, technical facilitations by government-sponsored experts, and consolidation of views from WSPs and water service consumers, among so many other inputs. In addition, implementation of Water Act 2002 which bore WSBs and WSPs was a milestone due to stakeholder involvement especially in financing, WSP start-ups and constitution of rural water groups (CBOs). The other value-adding stakeholder contributions included formulation of water policies such draft water bill 2013, development of sustainable water tariffs, improved water supply/access from a paltry 28% in 2004 to 79% in the jurisdiction urban areas, financing the board's activities such as CSR and visibility campaigns, and keeping the board on check.

The external stakeholders were asked if they had previously been called upon by the LVSWSB to participate in core corporate activities. There was near-unanimity to this save for two interviewees representing resident associations. This implied that the Board's success was actually an outcome of majority participation. However, some interviewees, especially from the sub-counties lamented that they were excluded from major activities even when their jurisdictions were the targets. Typically, some of the DWO comments captured under this included:

"I am sometimes left out in the planning and implementation of key donor-funded projects on-going in my district/sub-county", "Am only involved in mobilizing communities", and "Sometimes I learn about a project at implementation phase" (DWOs).

The study also obtained a sample of project documentations showing stakeholder involvement. In a long-term action project targeting Kisumu residents, the design and implementation schedule identified key stakeholders as "Kajulu residents, consultant engineers, contractor, local administration, and AFD". This identification showed that LVSWSB was extremely cautious by widening participation to avoid instances that would see the projects stall and subsequently lose donor fund inflows.

There were various strategies adopted by the LVSWSB towards ensuring wider stakeholder participation. These strategies were conducting workshops, seminars, conferences; specific consultations by regular meetings such as supervision missions; circulating internal documents and reports to stakeholders; publishing information on websites, newspapers, televisions; and holding stakeholders' forum. Workshops, conferences and seminars were particularly used when broader participations were anticipated and when the intended dissemination was more uniform. The Board sought to capacity-build their employees, WSPs, CBOs and resident association using the workshop strategy. In addition, to this the Board held regular meeting and visits to project/work sites not only to monitor progress but also to interact with other stakeholders. There were other stakeholders who were conveniently reached by way of print and electronic media, and websites. Additional

information obtained from the Board's Performance Contract (PC) 2012/13 showed a high preference on stakeholder forums. The PC had purposed to conduct one stakeholder forum in each of the nine WSPs within a one-year span in addition to an-all inclusive stakeholder congress late in the fiscal year. This emphasis showed the Board's strategic commitment to stakeholder involvement and the value it placed on the contributions coming from identified working partners.

While majority of the external stakeholder interviewees acknowledge previous participation in the Board's forums or seminars, the Board's sensitivity in executing their engagement strategies was in doubt. One interviewee retorted thus:

"Most of the stakeholder-forums are like lecture halls where information is mainly directed to the audience and very little flows upwards" (CBO).

Yet another dissatisfied stakeholder representative quipped:

"Stakeholder resolutions are not implemented; so they do not have meaning to us" (Resident Association).

The implication was that though the Board had invested in ensuring wider and participatory decision making, some additional efforts were required to attain and sustain stakeholder satisfaction.

Drawn from the fact that LVSWSB had an obligation to meet stakeholder standards as basis of full realization of corporate targets, the study established the extent to which stakeholder resistance weakened its performance and the typical instruments applied to contain its negative effect. With unanimity, internal informants acknowledged predominance of

stakeholder conflicts especially in WATSAN issues such as mass relocations, constructions of sewer plants, laying of pipes, and handover of projects previously owned by defunct organizations (such as Municipal Councils). Also, there was stakeholder resistance from donors especially in project variations, non-compliant procurements, and expense ineligibility. The WSPs could also resist remittance of asset levies, secondment of staff, and meeting production costs. Such vast resistance possibility subjected the Board to a myriad of stakeholder management challenges which in some instances derailed project completion or led to abandonment.

The most preferred instruments at the disposal of LVSWSB in dealing with resistance challenges were identified as consensus building, seeking alternative proposals from the stakeholders themselves, and sensitization. In consensus building, stakeholder representatives were called upon to deliberate over conflicting issues and then establish a common course of action which would be endorsed by both parties. In some occasions, arbitration was required to facilitate in consensus building. Alternatively, the Board studied options proposed by stakeholder in determining the most appropriate actions with minimal conflicts. Sensitization implied educating stakeholders on the significance of actions to be undertaken in quest of winning their support. The other resistance mitigation approaches involved directly engaging with dissenting stakeholders, mobilization campaigns through opinion leaders, and enhancement of the Board's visibility to enhance stakeholder awareness on its role and development intents.

From the external stakeholder perspective, the study sought information relating to the stakeholders' degree of willingness or unwillingness to partner with the Board. It was established that none of the stakeholders was unwilling to engage in the partnership. This was perhaps due to the perceived significance LVSWSB played in facilitating water accessibility. The show of willingness was crystallized by the stakeholders as evidenced in some of the following comments:

"I'm willing to be involved with the Board because so far they are good project implementers" (Funding Agency); "There has been a cordial working relationship and LVSWSB is also very supportive" (DWO); "LVSWSB receives community problems and solves them as expected" (CBO); and "LVSWSB is a major partner in project implementation under the Ministry of Environment, Water and Natural Resources" (WSP).

This concrete willingness by stakeholders in supporting the Board was a sheer opportunity towards building synergy that would matter and count in successful corporate strategy execution.

If involvement of stakeholders strategically mattered, then the Board had no option but to consistently trigger and sustain stakeholder commitment. With this in mind, the study queried on approaches used to ensure that the stakeholder remained committed to their part of play. At the higher extreme, the Board engaged in drawing up mutual programmes with timelines for monitoring and directing stakeholders for the sake of attaining working efficiency. The typical programmes adopted especially with donors included procurement plans, disbursement schedules, and approval time limits. With WSPs, the Board measured their

commitment on the basis of SPAs which spelled out the service standards and penalties thereof. Another broadly used commitment device was 'service contracting' involving the Board as one party of the contract and the stakeholder as the second party. This was especially applied with contractors, consultants, land sellers, WASREB and any other agencies entering the service of the Board.

Responses obtained from donor partners showed satisfaction in project implementation as an indicator of their commitment to financing earmarked projects. Further, it was determined that donors insisted on regular reporting, financial and technical audits, strict compliance, and seeking purchase approvals. These restrictive covenants evoked donor commitment only if the Board complied. Nevertheless, there were some group-specific factors which compromised stakeholder commitment. Some DWOs indicated structural conflicts arising from the newly established county governments who had resorted into disseminating instructions without mention of the Board. Also, they complained of delayed payments to works supervised by them. The WRUAs and WAGs decried of lack of communication from the Board, delays in project implementation, low-level involvement, and lack of pay/allowances when engaged by the Board.

Communication with key stakeholders is an essential requirement not only as a mobilization strategy but also as a show of commitment to the rules of engagement. Based on its obvious significance, the study sought to investigate the Board's efficiency in reaching intended stakeholders through communication channels. Responses from the Board showed application of a wide range of communication options which included face-to-face, written

and electronic channels. The highly preferred communication channel was found to be 'letters' (e-mails and postal) followed by 'face-to-face' and then publications. The letters were sent to specific individuals/institutions required for specific actions, while face-to-face channels were used in stakeholder forums, barazas, workshops and direct engagements. Information intended to reach a wider public audience such as request for tenders and public functions were communicated through both print and electronic media.

The Board had adopted a communication strategy which singled out primary stakeholders and appropriate communication modalities involving both internal and external Board customers. In addition to this, the Board regularly issued print-outs, brochures, news-letters and customer service charters to people visiting the Board headquarters in Kisumu and regional offices. This was positively interpreted to mean commitment by the Board to consistently disseminate information to its stakeholders for timely action.

Despite all the effort, there were comments of dissatisfaction from some of the stakeholders in relation to communication especially from the WSPs, DWO, CBOs, and resident associations. A sample of them includes the following:

> "Feedback from the Board on some basic issues is not prompt" (WSP); "there is need for the Board to improve on its communication especially when calling for our contributions" (DWO); some of the information sought from the Board does not reach us" (CBO); and "the Board should embrace full technology when communicating with us so that we are timely informed" (WSP).

For stakeholder relationships to flourish and move organizations closer to their rightful places there is need for regular relationship-audits. Generally, it was established that LVSWSB evaluated extent stakeholders' satisfaction normally after a period of one year. However, though different stakeholders had different satisfaction levels, the evaluation was condensed into one document referred to as "Customer Satisfaction Survey". These surveys were conducted by independent consultants and targeted most of the individuals/institutions dealing with the Board. In the exit survey of financial 2012/13, the customer satisfaction index was stated at 91.4% up from 87.6% in the year 2011/12. Except for resident associations and CBOs, all other stakeholders acknowledged participation in at least one of the end-year structured surveys seeking to establish their satisfaction with the Board's annual activities and performance. This furthered the perception that the Board was dismally keen in engaging the bottom-placed stakeholders despite their key role.

Finally, the study established significant challenges in managing the stakeholders associated with LVSWSB. First, it was evident that the so many stakeholders in the water sector, some with conflicting roles, derailed making decisions and this sometimes spread to delaying project implementation plan. Internal interviewees pointed out that most of the stakeholders did not distinguish the roles played by the Board, WASREB, WARMA and WSPs. Most often than not, the Board lost in publicity due to its distant structural positioning from the water service consumers. Second, it was observed that bottom-placed stakeholders lacked sufficient information considered pertinent in the sector. Such information included investment proposal development, role allocation, conditions for funding and engagement, and essence of co-funding which required residents to offer material support such as land.

Third, there were the issues of conflicting legislations in the sector which meant that the Board had to comply with each of them to avoid litigations. Other than the Water Act 2002, the other compulsory compliance requirements were based on Environment Management Act, State Corporations Act. The other mentioned challenges included political interferences, limited resources, and stakeholder resistance.

4.4 Factors Influencing Level of Stakeholder Involvement in Strategy Implementation

The extent to which stakeholders were involved in strategy implementation was influenced by various factors such as clarity of stakeholder identity, role allocation to the stakeholders, actual involvement, sensitization, problem solving mechanisms, communication, evaluation and challenge management. the study observed that, the LVSWSB had sufficient knowledge on who its stakeholders were and the distinct roles they ought to have played in attaining strategic success. However, there were notable challenges faces regarding to full inter-party involvement, communication, and sustainability of sensitization campaigns.

The study further observed that stakeholders faced unique work relations depending on their role orientation and strategic placement. The extent to which stakeholder had power or influence, interest, position and the priority attached to given projects, the level of importance the stakeholder feels they wield within the Board in relation to other stakeholders, the amount of resources held by stakeholder group and availability of the stakeholders.

The study established that the high-end stakeholders got more involved because of the power/influence they held and resources they had committed in the Board's projects. For example, the funding agencies had invested huge resources in various projects and they needed to ensure the funds are utilized prudently to the advantage of the beneficiaries. The Board seemed to engage the lower cluster stakeholders like WRUAs, WAGs, contractors, suppliers minimally compared to the high end stakeholders. Therefore, it was notably seen from the external respondents that they were only called upon when the Board wanted their agenda pushed through or projects accomplished but not consulted before hand. The level of stakeholder influence really depended on the power/influence, level of importance, position and resources they held more than those with high interest with less power and resources. The above shown factors influence the level of stakeholder involvement in strategy implementation and LVSWSB.

4.5   Discussion of Findings

The LVSWSB had a wide range of primary stakeholders who were involved in core activities undertaken by the Board. This complied well with the contemporary management theories which reflected the contention that interests of key stakeholders must be integrated into the very purpose of the firm and stakeholder relationships must be managed in a coherent and strategic fashion (Hitt, Freeman and Harrison, 2001). By way of involvement, according to Pedersen (2006), a decision can be considered legitimate or a judgment is legitimately made if a large number of stakeholders are included and given adequate opportunities to contribute to the decision-making process. This also helps in achieving the maximum openness and inclusiveness through a consensus oriented approach. Through his studies, Pedersen (2006)

further justifies stakeholder involvement that it enhances accountability of the service providers towards final users and the wider stakeholder community. Therefore, the inclusion of a wide range of stakeholders and multiple perspectives by LVSWSB was likely to increase the successful design and effective implementation of policies.

Through the Board's initiatives, stakeholder involvement was instrumental in achieving remarkable milestones such as strategic plan and implementation of Water Act 2002. This confirmed that stakeholder involvement is a key resource in positively influencing corporate performance. The central claims for an integrated approach to stakeholder engagement arguably center primarily on benefits to the organization – essentially on the view that incorporating stakeholder views in decision-making processes enhances organizational performance and commitment (Bendell, 2000). Bosse et al. (2007), in a study on innovation and stakeholder engagement, points to the value of on-going stakeholder engagement via processes of dialogic and two-way symmetrical communication to invite stakeholder input into organizational decision-making. There is indeed substantial evidence in the stakeholder and communication management to suggest that enlightened organizational strategy-making is best informed by a process of continuous dialogue with stakeholders and that the social performance of any business should be judged not by what it does, but by the extent to which it facilitates interested parties in negotiating what it does (Bosse et al., 2007). In Kenyan context, using a case of Commercial Bank of Kenya, Kirui (2009) acknowledged the extent to which banks based their strategic formulation on the demand and taste of product consumers who were identified as the key strategic partners. The fact that LVSWSB adopted communication strategy as a leading tool in involving stakeholders coincided well with the

ideals. Under this, the Board engaged its stakeholders through workshops, seminars, written communication, face-to-face and public barazas which would significantly influence their contributions to the Board's corporate targets.

As noted by Hussey (2000), the sustainable corporation must demonstrate the ability to learn from stakeholders and previous mistakes through a continuous process of consultation, measurement, auditing and reporting. In the case of LVSWSB, stakeholder resistance was mitigated broadly by consensus building, listening for stakeholder proposals and setting acceptable inter-party standards of performance. Hussey (2000) further support the consensus oriented approach in stakeholder management as a basis for achieving the maximum openness and inclusiveness. Moreover, the authors defend the underlying assumption of maintaining good relationships with stakeholders, and that it makes good business sense as well as good ethical sense. In a study by Manoa (2010) on barriers to strategy implementation at Kenya Power and Lightening Company (KPLC), stakeholder conflict especially from 'resident destined for relocation' was highlighted as one of the practical issues to be addressed prior to any progress towards goal realization.

Bendell (2000) describes the requirement of defining the organization's position and direction with those of stakeholders' views and responses (positive or otherwise) and more importantly identifying the level of potential cooperation. Prior to achieving this, however, he acknowledged existence of stakeholder management challenges which have to be dealt with. The LVSWSB was not different: it faced a number of stakeholder management challenges which would be reflected in some of performance outcomes such as delays in

project execution. Although effective management of stakeholder relationships helps businesses survive and thrive in, it is also a moral endeavor because it concerns questions of values, choice, and potential harms and benefits for a large group and individuals (Galpin, 1998). Thus, despite inherent challenges in dealing with each and every institution or individual, LVSWSB had distinct primary stakeholders who would be mobilized to fasten goal-realization.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1   Introduction

The chapter presents the summary of findings, study conclusion, policy recommendations, limitations of the study and suggestions for further studies.

5.2   Summary of Findings

The top three primary stakeholders embraced by the LVSWSB were donor/funding partners, Water Services Regulatory Board (WASREB) and Water Service Providers (WSPs). Others included resident associations (WRUAs and WAGs), employees, contractors/suppliers, county governments, consultants and the general business community. Notably, however, research information from the outside stakeholders showed little knowledge on the range of primary stakeholders involved by LVSWSB. Specifically, resident associations and CBOs enlisted donor/funding agencies like AFD, UNICEF, ADB, EU, KFW among others as the most important and valued stakeholders within the Board. This lack of clarity showed a possible existence of skewed preferences by the Board when dealing with stakeholders. Further, the study observed that donor partners, WSPs and DWO had a detailed understanding on the water sector's intertwined relationships. They were finitely able to disaggregate institutions and groups making up the stakeholder scope with LVSWSB. This was attributable to the fact that the stakeholder institutions were formally included in the water sector structure with defined roles and responsibilities.

The study established core milestones realized by the Board through engagement with its primary stakeholders. Most importantly, the Board mobilized the stakeholders towards development of strategic plan 2007-2010 and draft strategic plan 2013-17. This was attained through financial support from donor agencies, technical facilitations by government-sponsored experts, and consolidation of views from WSPs and water service consumers, among so many other inputs. In addition, implementation of Water Act 2002 which bore WSBs and WSPs was a milestone due to stakeholder involvement especially in financing, WSP start-ups and constitution of rural water groups (CBOs). The other value-adding stakeholder contributions included formulation of water policies such draft water bill 2013, and development of sustainable water tariffs.

There were various strategies adopted by the LVSWSB towards ensuring wider stakeholder participation. These strategies involved conducting workshops, seminars, conferences; specific consultations by regular meetings such as supervision missions; circulating internal documents and reports to stakeholders; publishing information on websites, newspapers, televisions; and holding stakeholders' forum. Workshops, conferences and seminars were particularly used when broader participations were anticipated and when the intended dissemination was more uniform. The Board sought to capacity-build their employees, WSPs, CBOs and resident association using the workshop strategy. In addition, to this the Board held regular meeting and visits to project/work sites not only to monitor progress but also to interact with other stakeholders. There were other stakeholders who were conveniently reached by way of print and electronic media, and websites. Stakeholder forums were also used at advanced levels.

Information from the study's internal informants pointed to predominance of stakeholder conflicts especially involving water and sanitation programmes such as mass relocations, constructions of sewer plants, laying of pipes, and handover of projects previously owned by defunct organizations such as Municipal Councils. Also, the Board experienced stakeholder resistance from donors in matters such as project variations, non-compliant procurements, and expense ineligibility. The WSPs also resisted remittance of asset levies, secondment of staff, and meeting production costs.

The most preferred instruments at the disposal of LVSWSB in dealing with resistance challenges were identified as consensus building, seeking alternative proposals from the stakeholders themselves, and sensitization. In consensus building, stakeholder representatives were called upon to deliberate over conflicting issues and then establish a common course of action which would be endorsed by both parties. In some occasions, arbitration was required to facilitate in consensus building. Alternatively, the Board studied options proposed by stakeholder in determining the most appropriate actions with minimal conflicts. Sensitization implied educating stakeholders on the significant of actions to be undertaken in quest of winning their support.

At the higher extreme, the Board engaged in drawing up mutual programmes with timelines for monitoring and directing stakeholders for the sake of attaining working efficiency. The typical programmes adopted especially with donors included procurement plans, disbursement schedules, and approval time limits. With WSPs, the Board developed measured their commitment on the basis of SPAs which spelled out the service standards and

penalties thereof. Another broadly used commitment device was 'service contracting' involving the Board as one party of the contract and the stakeholder as the second party. This was especially applied with contractors, consultants, land sellers, WASREB and any other agencies entering the service of the Board.

Responses obtained from donor partners showed satisfaction in project implementation as an indicator of their commitment to financing earmarked projects. Further, it was determined that donors insisted on regular reporting, financial and technical audits, strict compliance, and seeking purchase approvals. These restrictive covenants evoked donor commitment only if the Board complied. Nevertheless, there were some group-specific factors which compromised stakeholder commitment. Some DWOs indicated structural conflicts arising from the newly established county governments who had resorted into disseminating instructions without mention of the Board. Also, they complained of delayed payments to works supervised by them. The WRUAs and WAGs decried lack of communication from the Board, delays in project implementation, low-level involvement, and lack of pay/allowances when engaged by the Board.

The Board applied a wide range of communication options which included face-to-face, written and electronic channels. The highly preferred communication channel was found to be 'letters' (e-mails and postal) followed by 'face-to-face' and then publications. The letters were sent to specific individuals/institutions required for specific actions, while face-to-face channels were used in stakeholder forums, barazas, workshops and direct engagements. Information intended to reach a wider public audience such as request for tenders and public

functions were communicated through both print and electronic media. In addition to this, the Board regularly issued print-outs, brochures, news-letters and customer service charters to people visiting the Board headquarters in Kisumu and regional offices.

The study further established that LVSWSB evaluated the extent of stakeholders' satisfaction normally after a period of one year. However, though different stakeholders had different satisfaction levels, the evaluation was condensed into one document referred to as "Customer Satisfaction Survey". These surveys were conducted by independent consultants and targeted most of the individuals/institutions dealing with the Board. In the exit survey of financial 2012/13, the customer satisfaction index was stated at 91.4% up from 87.6% in the year 2011/12. Except for resident associations and CBOs, all other stakeholders acknowledged participation in at least one of the end-year structured surveys seeking to establish their satisfaction with the Board's annual activities and performance.

Finally, the study established significant challenges in managing the stakeholders associated with LVSWSB. It was evident that the so many stakeholders in the water sector, some with conflicting roles, derailed making decisions and this sometimes spread to delaying project implementation plan. Internal interviewees pointed out that most of the stakeholders did not distinguish the roles played by the Board, WASREB, WARMA and WSPs. In addition, it was observed that bottom-placed stakeholders lacked sufficient information considered pertinent in the sector. Finally, there were issues of conflicting legislations in the sector which meant that the Board had to comply with each of them to avoid litigations.

5.3 Conclusion

Based on the key findings and discussion thereof, the study concluded that LVSWSB had a wide range of primary stakeholders who it involved to a higher extent towards meeting its objectives as outlined in its service provision mandate. Some of the observations supporting this included its definite identification of core stakeholders, role delimitation, recognition of milestones realized with stakeholders, variety of stakeholder involvement strategies, stakeholder resistance mitigation, defined communication means, evaluation of stakeholder satisfaction, and enhancement of stakeholder commitment. However, there were teething challenges encountered by both the Board and stakeholders, making the involvement deficient in some instances. Moreover, there were glaring imbalances in the involvement of stakeholders; the high-end stakeholder seemed to have higher preference as opposed to those at bottom-of-the-pyramid such as resident associations and community-based organizations.

5.4 Recommendations for Policy and Practice

From the conclusions, the study recommends wider inclusion of stakeholders in the Board's operational obligations. While this inclusion would ensure wider ownership of projects implementation and success, it would also assist in faster decision making to avoid stalling or abandonment of projects. The value of bottom-of-the-pyramid stakeholders needed not be downsized since they had a significant role that would influence project completion rate and overall success of the Board. In addition, it could be highly desirable for the Board to frequently engage stakeholders especially those regulating its operations (WASREB and WARMA, Ministry of Environment, Water and Natural Resources) and funding agencies for the purpose of mitigating challenges which might distract the Board from its goal realization

strategy. Finally, it is recommended that for every function the Board seeks to engage its primary stakeholders, there be established an ad hoc team with distinct terms of reference dealing with inclusion, information disseminations, mobilizations, review, and evaluation of stakeholder involvement and management.

5.5   Limitations of the Study

The study focused on stakeholder involvement which is only one aspect influencing strategy implementation. In effect, therefore, it was difficult to establish the absolute cause-effect relationship between the two variables. This is because the proportion of influence from other factors would not be defined.

Moreover, the study's reliance on interviewee opinion presented yet another limitation to the study since the true positions would not be proven with certainty. This, hence, made the study's findings and generalization a subject for further testing.

Finally, the study collected data from only a small representation of all the LVSWSB primary stakeholders, leaving out another set of equally significant population such as water service consumers, suppliers/consultants and contractors, Ministry of Environment, Water and Natural Resources, WASREB and WARMA among so many others. It is thus acknowledged that their inclusion would have significantly varied some of the study's findings.

5.6   Suggestions for Further Studies

Arising from the aforementioned limitations, it is suggested that a correlation analysis is conducted to establish quantitatively how stakeholder involvement relates with strategy implementation not only in the water sector but also in other formal service provision entities. This quantitative supplementation will strengthen this study's qualitative findings while analyzing cause-effect relationships between the variables under study.

Based on the fact that the water sector in Kenya had so many players whose roles would not be wished away but synergized, the is need to further investigate how the different players could be harmonized in a model that can be understood by all participants/stakeholders in the water sector. This could not only be limited to participant opinion but also on relevant documentations and expert synthesis.

Finally, it is suggested that a detailed and cross-sectional practical examination is conducted among all the WSBs in Kenya to establish universal stakeholder involvement practices. This would help in unifying the national water service provision approaches while providing a basis for learning and continual service improvements.

REFERENCES

Abiero O. A. (2010). *Challenges of Stakeholder Management n Implementation of Sondu Miriu Hydro-Electric Power Project in Kenya*. Unpublished Master Thesis, UoN.

Amaeshi, K. M. and Crane, A. (2006). *Stakeholder Engagement. Corporate Social Responsibility and Environmental Management*, 13 (9): 245-260

Bechtell, P. and Michele, L. (1995). *The Management Compass: Steering the Corporation Using Hoshin Planning.* New York: AMACOM.

Becker, B. E., Huselid, M. A. and Ulrich, D. (2001). *The HR Scorecard: Linking People, Strategy and Performance.* Boston: Harvard Business School Press.

Bendell, J., (2000). *Working with Stakeholder Pressure for Sustainable Development.* London: Greenleaf Publishing.

Berman, S. L., Wicks, A. C., Kotha, S. and Jones, T. M. (1999). Does Stakeholder Orientation Matter? The Relationship between Stakeholder Management Models and Firm Financial Performance. *Academy of Management Journal*, 45 (6): 488-506.

Bosse, D.A., Phillips, R.A. and Harrison, J.S. (2007*).* Stakeholders, Reciprocity & Firm Performance. *Strategic Management Journal*, 30(4): 447-456.

Chinyio, E. A. & Akintoye, A. (2008). *Practical approaches for engaging stakeholders: findings from the UK.* Construction Management and Economics*, 26 (7)***:** 591-599.

Cooper, S. C. (2004). *Corporate Social Performance: A Stakeholder Approach.* London: Ashgate Publishing Limited.

Cozby, P.C. (2005). *Methods in Behavioral Research*. Boston: McGrawHill.

David F. (2003). *Strategic Management Concepts and Cases.* Prentice-Hall, Englewood Cliffs, NJ.

Delli- Carpini, J. (2004). What is Public Participation in Water Resources Management and Why is it Important? *Water International Journal*, 29 (2): 221-227.

Dietz, S., and Stern, N. (2008). Why Economic Analysis Supports Strong Action On Climate Change. *Review of Environmental Economics and Policy*, 8(2): 94-113

Donaldson, T. and Preston, L.E. (1995). The Stakeholder Theory Of The Corporation: Concepts, Evidence, And Implications. *Academy of Management Review*, 20(3): 65-91.

Doyle, P. & Stern, P. (2006). *Marketing Management and Strategy,* Harlow-Essex: Pearson Education Limited.

Dryzek, J.S. (2005). Reconstructive Democratic Theory. *The American Political Science Review 87(7): 48–60.*Dukes, C. E. (2005). *Translating Strategy into Action*. Chicago: Dearborn Trade Pub.

Duram, L. A., Brown, K.G., (1999). Assessing Public Participation in U.S. Watershed Planning Initiative, *Society & Natural Resources*, 12(5): 455-467.

Eden, C. and Ackerman, F. (1998). *Making Strategy, The Journey of Strategic Management. London: Sage Publications.*

Freeman, R.E. (1984). Strategic Management: A Stakeholder Approach. Boston: Pitman.

Freeman, R. (2007). *Managing For Stakeholders: Essential Readings in Ethical Leadership and Management.* Amherst NY: Prometheus Books.

Friedman, M. (2006). *Capitalism and Freedom.* Chicago: University of Chicago Press.

Galpin, M. (1998). *Participatory Management Methods for Agricultural Research*: Departments of Agricultural Extensions and Rural Development. University of Reading.

Golembiewski, R. (2000). *Handbook of Organizational Consultation*. 2nd ed. NY: Dekker.

Greenwood, M. (2006). *Stakeholder Engagement and the Responsibility Assumption.* Working Paper 19/6, July 2006. Retrieved May 13th, 2013, from www.buseco.monash.edu.au/mgt/research/working-papers/2006/wp19-06.pdf

Hitt, M., Freeman, R. and Harrison, J. (2001). *The Blackwell Handbook of Strategic Management*. Hoboken, NJ: Wiley- Blackwell Publishers Ltd.

Hsieh, H.-F., & Shannon, S.E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research, 15*(9): 1277-1288.

Hughes, P. and Demetreious, K. (2006). Engaging With Stakeholder or Constructing Them*? The Journal of Corporate Citizenship*, 8(6): 93-101.

Hussey, D. (2000*). Strategy and Planning: A Manager's Guide (New Ed.).* New York: Wiley.

Irvin, R. A. and Stansbury, J. (2004). Citizen Participation in Decision Making: Is it worth the effort? *Public Administration Review*, 64 (4): 55-65.

Jansky, L. and Uitto, J.I. (2005). *Enhancing Participation and Governance in Water Resources Management:* Tokyo: United Nations University.

Jawahar, M. and McLaughlin, G.L. (2001). Toward Stakeholder Theory: Organizational Life Cycle Approach. *Academy of Management Review*, 26(3): 397-414.

Jones, M. (1995). Instrumental stakeholder theory: A synthesis of ethics & economics. *Academy of Management Review*, 20(3): 404-437.

Koontz, T.M. (2004). We Finished the Plan, So Now What? Impacts of Collaborative Stakeholder Participation on Land Use Policy. *The Policy Studies Journal*, 33(7): 12 - 23.

Korfmacher, K. S. (2001). The Politics of Participation in Watershed Modeling. *Journal of Environmental Science.* 76(231): 161-176.

Kotter, B. and Best, H. (1996). *Management by Policy: How Companies Focus Their Total Quality Efforts to Achieve Competitive Advantage*, Milwaukee: ASQC Quality Press.

Lawler, E.E and Mohrman, S.A. (2000). *Creating a Strategic Human Resources Organization*, Los Angeles: Centre for Effective Organization.

Leach, W.D. and Pelkey, N.W. (2001). Making Watershed Partnerships Work: A Review of the Empirical Literature. *Journal of Water Resources Management*, 127(8): 378-385.

Lorca, P. and Garcia-Diez, J. (2004). The Relation between Firm Survival and the Achievement of Balance among Its Stakeholders: An Analysis. *International Journal of Management*, 21(1): 93-112.

Lubell, M., Schneider, M., Scholz, J. T. and Mete, M. (2009). Watershed Partnerships and the Emergence of Collective Action Institutions. *American Journal of Political Science*, 46 (1):148-178

LVSWSB *Draft Strategic Plan*, 2013-17, Kisumu, LVSWSB

LVSWSB *Newsletter* (2012). Kisumu, LVSWSB.

Mathur, V., Price, A. and Ali, S. (2008). Conceptualizing stakeholder engagement in the context of sustainability and its assessment. *Journal of Construction Management and Economics*, 26(6): 601-609.

Mogeni, F. B. (2011). *Influence of External Stakeholders on Implementation of Corporate Strategy at the TSC in Kenya*, Unpublished Master Thesis, UoN.

Mugenda, O. M. and Mugenda, A. G., (2003), *Research Methods; Quantitative and Qualitative Approaches,* Acts Press, Nairobi, Kenya.

Musyoka, M. J. (2009). *The Extent* of *Stakeholders Involvement in Strategy Formulation and Implementation in the National Social Security Fund.* Unpublished Master Thesis, UoN.

Newing, J. and Frish, O. (2009). Environmental Governance, *Participatory, Multilevel and Effective Environmental Policy and Governance* 19(8):197-214.

Noland, J. & Phillips, R. (2010). Stakeholder engagement, discourse ethics and strategic management. *International Journal of Management Reviews*. 45(9): 34-67.

Onyari, R. (2010). *Challenges of Strategy Implementation at Lake Victoria South Water Services Board (LVSWSB)*. Unpublished Master Thesis, UoN.

Pearce, J.A and Robinson, R.B (2004). *Strategic Management: Formulation, Implementation and Control*, 10th Edition, Boston: Irwin McGraw Hill.

Pedersen, E. R. (2006). Making Corporate Social Responsibility (CSR) Operable: How Companies Translate Stakeholder Dialogue into Practice. *Business and Social Review*, 108 (2): 137-163.

Pride, W. M. and Ferell, O. C. (2003). *Marketing Concepts and Strategies,* Houghton Mifflin Company, Boston.

Rauschmayer, F. and Wittmer, H. (2006). Evaluating Deliberative and Analytical Methods for the Resolution of Environmental Conflicts. *Land Use Policy,* 23(1): 108-122

Rowe, G., and Frewer, L. J. (2004). Public Participation Methods: A Framework for strategies for Assessing and Managing Organizational Stakeholders. *Academy of Management Executive*. 19(1): 99-113

Senecah, S. L. (2004). *The Trinity of Voice: The Role of Practical Theory in Planning and Evaluating the Effectiveness of Environmental Participatory Processes*. New York: State University of New York Press.

Sharma, S. and Starik, M. (2004). *Stakeholders, the Environment and Society*. Cheltenham: Edward Elgar.

Sloan, P. (2009). Redefining Stakeholder Engagement. *The Journal of Corporate Citizenship*, 36 (1): 25-40.

Sunstein, P., A (2001*). Effectiveness of Participatory Planning for Community Management of Fisheries in Bangladesh. *Journal of Environmental Management*, 86(9): 201–213.

UNESCO-WWAP (United Nations Educational, Scientific and Cultural Organization – World Water Assessment Programme) (2007). *Water for People, the United Nations World Water Development.* Barcelona: UNESCO and Berghahn Books.

Webler, T. Tuler, S., (2002). Public Participation in Watershed Management Planning: Views on Process from People in the Field. *Human Ecology Review*, 8 (2): 29-39.

Welford R. (2000). *Corporate Environmental Management: Towards Sustainable Development.* London: Earthscan.

Yin, R. K. (2003). *Case study research: Design and methods* (3rd ed.). Thousand Oaks, CA: Sage.

Zadek, S. & Raynard, P. (2002) Stakeholder Engagement: Measuring and Communicating the Quality. *Accountability Quarterly,* 19(2)**:** 8-17.

APPENDIX I: STAKEHOLDER INTERVIEW GUIDE

Interview No:……………………………………………..   Date:…………………….

Dear informant,

This interview is meant to collect information relating to *"Stakeholder Involvement in Strategy Implementation at the LVSWSB"*. As one of the key informants, you have been requested to assist in giving the requested information towards realizing the study goals. The information gathered will only be used for academic purpose and shall be kept confidential.

1.   Which institution do you represent?

2.   For how long have you related with the LVSWSB?

3.   How would you generally describe the relationship between your organization/yourself and the Board?

4.   How well do you understand the role performed by the LVSWSB? Explain further.

5.   Have you or your organization ever been invited to participate in a corporate activity at LVSWSB? Kindly explain the nature of activities.

6.   Why could you be willing or unwilling to get involved with the LVSWSB?

7.   In a year averagely, how many times are you called upon to participate in LVSWSB's working goal realization?

8.   Are you aware of other partners involved by the Board? Who are they and how do you relate with them?

9.   At what levels of the Board's strategy implementation are you normally involved?

10. Have you ever raised a complaint to the LVSWSB management regarding their undertakings? What was the complaint? Generally, how was the Board's response?

11. Have you ever been formally sensitized on the mandate, mission and vision of LVSWSB?

12. Generally, how would you describe the Board in terms of involvement of its stakeholders in major decisions and activities?

13. Have you (or organization) ever been requested to give feedback on the Board's activities? After how long are the requests made?

14. What challenges have you encountered in enriching your involvement with the LVSWSB's corporate mandate?

15. What would you suggest to the Board so as to improve its performance targets through partner involvement?

Thank you.

APPENDIX II: LVSWSB INTERVIEW GUIDE

Interview No:………………………………………….. Date:…………………….

Dear informant,

This interview is meant to collect information relating to *"Stakeholder Involvement in Strategy Implementation at the LVSWSB"*. As one of the key informants, you have been requested to assist in giving the requested information towards realizing the study goals. The information gathered will only be used for academic purpose and shall be kept confidential.

1. How long have you worked for LVSWSB?

2. Who are your key stakeholders, ranking them from the most important ones?

3. What key milestones have been realized through stakeholder involvement in the last 5 years?

4. What strategies do you adopt in bringing the primary stakeholder on board?

5. How do you deal with stakeholder resistance?

6. Does the Board evaluate stakeholder efficiency? How is this effected?

7. What are the predominant means of communication with the stakeholders?

8. Is the stakeholder role evaluated? Kindly explain how.

9. What key challenges are faced by the Board in managing stakeholders' conflicting interests?

10. What is your views regarding stakeholder involvement in corporate affairs?

Thank you.