

**IMPLEMENTATION OF PUBLIC PRIVATE PARTNERSHIPS BY
THE MINISTRY OF TRANSPORT AND INFRASTRUCTURE IN
KENYA**

SHEILA N. MUASYA

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FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
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DECLARATION

This research project is my original work and has not been submitted for examination to any other University.

Signed Date

SHEILA NDUNGE MUASYA

D61/66950/2011

This research project is submitted for examination with my approval as the University Supervisor.

Signed..... Date.....

PROFESSOR EVANS AOSA, PHD.

DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

DEDICATION

This work is dedicated to my mother who is a constant inspiration in my life and whose prayers and providence were very instrumental in the completion of the project. Mum you worked tirelessly to make sure that I never missed a day of school. I wouldn't be where I am today if it were not for you.

To my Aunt Dr. Beth, who inspired me to go back to school to further my education, and be the best I can be. Much respect to you both and you are the most wonderful women.

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ABSTRACT

Strategy implementation is critical in creating and sustaining competitive advantage in the business environment that it calls for research and development of appropriate technologies and this research study is part of that effort. In today's turbulent and competitive environment, there is an increasing recognition of the need for more dynamic approaches to strategy formulating and implementation. Each implementation situation is unique and different and is therefore affected by different factors. The approach to implementation should therefore be customized to each of the different situations and occurrences. This study was investigating the implementation of Public Private Partnerships (PPPs) by the Ministry of Transport in Kenya. It sought to establish the Establish how the Ministry of Transport and Infrastructure is implementing Public private partnerships. It also sought to establish the challenges the Ministry has encountered or is encountering in the implementation of Public Private Partnerships. The findings of this study will contribute to building the existing body of knowledge on strategy implementation especially in the public sector. A case study of PPP implementation in the Ministry of Transport and Infrastructure was carried out. To obtain primary data, which was qualitative in nature, Eight top level executives were interviewed by use of an interview guide. Secondary data was obtained from desk research, the internet and printed records. The data collection instrument used was an interview guide. Data was analyzed in accordance with the objectives of the study using content analysis method. Findings from the study indicate that the Ministry is very keen on quality services being provided in set timeframes and within the set cost implications. The Ministry is therefore involved in PPP projects to help in the funding of required and necessary projects towards the achievement of the vision 2030. The findings showed that the Ministry has a team that forms the committee responsible for these implementations. The results revealed that the Ministry has set procedures that have been laid down for implementation of PPP projects with the Ministry being responsible for the formulation and implementation. The results of the study also found out that there are challenges affecting the PPP implementation in the Ministry. The study found that improper vetting procedures, political interests and interference, political and socio –economic environment factors and internal vested interests are some of the challenges encountered by the Ministry in the Implementation process a fact that fitted the contextual argument. It is important that the Ministry formulates a proper procedure of investor selection which is transparent, fair and competitive so as to create investor certainty and confidence. The study concluded that PPPs provide opportunities for development for public corporations to harness private enterprises as a means towards economic and social development but the challenges facing implementation of PPPs needed to be addressed. The study provides the Ministry with useful information on how to successfully implement strategies in future by adopting appropriate styles and coming up with effective monitoring and control systems to mitigate challenges associated with strategy implementation which should be adopted. The major limitation to this study was the target people who were top executives who had limited time for the interviews and it also demanded that they make a judgement for the institution they work for. Further research is suggested for research on implementation of PPPs by the Private sector or Partners. Another area of is can be research on PPP projects with foreign investors.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Governments all over the world are increasingly seeking to develop financing mechanisms, which bring together the public and private sectors, not only to control budgetary expenditure but also to pool these two sectors' specific know-how (Fortin and van Hassel, 2000). The increasing involvement of the private sector is also part of the more general change over the last decade in the role of the state in the economy, characterized by a move from the role of direct operator to one of organizer, regulator and controller of economic activities. The current trend for private sector participation in the provision of public services has partly arisen out of a necessity for the development of public utilities to be undertaken at a rate that maintains and allows growth (Mia, Estrada, and Geiger, 2007). This in turn has become a major challenge for many countries where service provision cannot be met by government alone.

Strategy implementation which can be defined as the process of allocating resources to support the chosen strategies. It is the manner in which an organization should develop, utilize and amalgamate organizational structure, control systems, and culture to follow strategies that lead to a competitive advantage and better performance. The process is challenging and unique to different organizations. Such is not different for governments and their involvement with the private sector especially in the implementation of Public Private Partnership projects. (Rosenau 2000) identifies Public Private Partnership's strategy as being increasingly used to provide public facilities and services. The Kenyan Government has an enviable reputation for working with the private sector in the provision of public services, helping it reduce its funding gap and even reduce the sovereign borrowing. (Wright, 1997) observed that Public-Private Partnerships (PPP'S) have become more widespread to all public jurisdiction sizes in the world, as the word of the successes of these partnerships grows. This is to improve service delivery and to create better value for money as opposed to a government delivering the services through

public procurement which has been mostly marred by ineffectiveness, inefficiency despite the high costs of incurred or the payouts (Vives, 2006).

The Ministry of Transport and Infrastructure in Kenya is one of the government ministries that are benefiting from these public private partnerships and their capacity to efficiently deliver quantity and quality services. Just like in many other Ministries the challenge to meet the growing demand for new and better infrastructure services is experienced by the Ministry of Transport and Infrastructure with the ministry through the government seeking the participation and involvement of the private sector in PPPs by implementation of the strategies and regulations outlined in the Ministry.

1.1.1 Strategy Implementation

Strategy is the fundamental framework through which an organization can simultaneously address its vital continuity and facilitate its adaptation to a changing environment. It is the direction and scope of an organization over a long term; which gives advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets to fulfill owner's expectation (Hax and Majluf, 2006).

Strategy Implementation is in turn, “the process that turns implementation strategies and plans into actions to accomplish objectives” (Pride & Ferrell 2003,). It addresses the who, where, when, and how to carry out the strategy implementation process successfully (Kotler et al. 2001). Pride and Ferrell (2003) define strategy implementation as “the process of putting strategies into action”. According to David (2003), both managers and employees should be involved in the implementation decisions 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). In developing policies during the implementation process, methods, procedures, rules, forms, and administrative practices are established.

Strategies 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. Conflict management also plays an integral role within the implementation process. According to (David 2003; Godiwalla et al. 1997) the human element of strategic implementation plays a key role in successful implementation and involves both managers and employees of the organization. Both parties should directly participate in implementation decisions and communication that plays a key role in ensuring that this occurs. Business performance is influenced by this human element of strategic implementation. Through providing performance incentives to employees during the implementation phase, business performance is positively influenced.

One key reason why implementation fails is that practicing executives, managers and supervisors do not have practical, yet theoretically sound, models to guide their actions during implementation. Without adequate models, they try to implement strategies without a good understanding of the multiple factors that must be addressed, often simultaneously, to make implementation work. Noble (1999) has further noted that there is a significant need for detailed and comprehensive conceptual models related to strategy implementation. To date, implementation research has been fairly fragmented due to a lack of clear models on which to build. In short, a comprehensive implementation framework has yet to be developed in the strategic management field.

A successfully implemented strategy will yield many benefits to an organization among which include; proper utilization of resources , both financial and human resources hence enhance organizational growth, development of efficient systems that will enhance coordination that would guarantee achievement of organizations goal and set targets, increased organizational impact due to improved organizational performance and sustain its competitiveness.

1.1.2 Public- Private Partnerships

Akintoye et al. (2003) define PPPs as a long-term contractual arrangement between a public sector agency and a private sector firm, whereby resources and risk are shared for the purpose of developing a public facility. The principal aim of a PPP Strategy is to

achieve value for money in the services provided while ensuring that all entities meet their contractual obligations properly and efficiently. Through this agreement, the skills and assets of each sector (public and private) are shared in implementing projects for the use of the general public. In addition to the sharing of resources, each party shares in the potential risks and rewards that are likely to be experienced in the implementation of the projects and/or facility (Bellier and Zhou, 2003).

Public-Private Partnerships are a variation of Privatization in which elements of a service previously run solely by the public sector are provided through a partnership between the government and one or more private sector companies. Unlike a full Privatization scheme, in which the new venture is expected to function like any other private business, the government continues to participate the partnership in some way (Corner, 2006).

Public-Private Partnerships (PPPs), which are a long-term cooperation agreements between a public authority and the private sector to provide public services, have become a popular approach to infrastructure development. Since the mid-1980s, the notion of partnership in urban renewal and development has attracted considerable discourse in Western countries, but the discussions on public management tend to be polarized and both advocates and opponents of private sector involvement in the provision of public services have emerged (Grimshaw *et al.*, 2001; Ghere, 2001). Despite the controversies over PPPs, the United Nations and the European Commission have promoted and fostered them as an instrument for urban development, especially in countries whose public budgets cannot support substantial expenditures.

Partnerships between the public and private sectors, in fields such as housing, economic development and regeneration, transport and municipal enterprises, have achieved a great deal over the years. Many governments are keen to build on this success, by extending successful approaches to delivering good value for money, and by developing new ones. Often the criteria used to choose the private partner for PPPs are more complex than just who offers the best price and who conforms to the technical specifications. There is no unified theoretical basis for PPPs. However, among the various theories one may point out the Principal Agent framework given the specific nature of risks existing in most PPP

projects, which is mostly uninsurable. The probability of risk materialization directly depends on the PPP partners' behavior and the risk allocation should therefore be treated within the transaction and before it starts.

1.1.3 Kenya's Public Sector

Kenya's public sector is at a crossroads today in facing the challenges of institutional change and the impact of new technologies. Public sector reform remains a necessary and on-going policy objective for many developing countries. In Kenya, this is being done to overhaul its administrative system to better serve the needs of both government and the citizens with improved delivery of public services to reduce poverty, improve livelihoods, and sustain good governance. Although the first attempts at the reform and transformation of the public sector in Kenya began in 1965, it was not until the early 1990s that serious efforts were made toward the reform and transformation of the country's public sector management.

The government currently "regards [its] public sector transformation strategy as a dynamic and focused process designed to fundamentally reshape the Public Service to accomplish its role in the achievement of Vision 2030" (Isahakia, 2010: 5). This transformation strategy is also seen as representing a transition for the public service and the beginning of a more cohesive, long-term approach to reform (Isahakia, 2010). The efforts to create an efficient government and engender a culture of performance and quality service delivery across the entire Kenyan public sector has a lengthy history, beginning as early as 1965 when the government set forth an institutional framework for reform through its *Sessional Paper No. 10* (OPM/PSTD, 2010).

The Government must overcome a number of challenges in implementing PPPs. These include developing and establishing strong legal and regulatory frameworks that can clarify the legal authority to grant concessions, the procurement process, and the contribution from the public authority of assets that can make the project viable and the rebalancing of tariffs which will make the project viable from a financial point of view. In addition, there must be political commitment to give confidence to the partners to make investments. Effective public administration is also important preferably through a

dedicated central PPP unit located within Government that can oversee the whole PPP process.

Vision 2030 aims at making Kenya a middle income economy by 2030, and a key element in Kenya's growth strategy is infrastructure development. Much of it is to be financed through a range of Public Private Partnerships (PPP) models. The Government is therefore increasingly seeking to develop financing mechanisms, which bring together the public and private sectors, not only to control budgetary expenditure but also to pool these two sectors' specific know-how. This form of cooperation can be referred to as a Public Private Partnerships (PPPs), which can be formally defined as an institutional relationships between a government and the private sector for-profit and/or the private not for-profit sector, where the different public and private actors jointly participate in defining the objectives, the methods and the agreement of cooperation.

1.1.4 Ministry of Transport and Infrastructure.

The Ministry encompasses the transport system in Kenya comprising of road, rail and maritime. The Ministry is crucial in the promotion of socio-economic activities and development since an efficient and effective transport system is a mainspring for rapid and sustained development in terms of national, regional and international integration, trade facilitation, poverty reduction and improvement of the welfare of citizens. The Ministry is responsible for an extensive network of paved and unpaved roads, a railway system linking the country's ports, major cities and connecting Kenya with neighboring Uganda and Rwanda as well as over 15 airports and airstrips with paved runways. (Ministry of Transport and Infrastructure 2014).

The Ministry's core functions include overseeing delivery of services by institutions in the sector, policy direction, performance monitoring, evaluation and development of regulatory framework, as well as co-ordination of activities undertaken by the parastatals/authorities in the Ministry. According to the government, infrastructure development and more so in the Transport sector is a key aspect of it's strategy to propel the country towards a middle-income economy by 2030. To develop the country's transport sector the government sees public-private partnerships as playing a key and

pivotal role. To deal with the challenges and demands faced by this sector, a new strategic direction has been adopted outlining strategies that foster national and regional economic integration; developing and maintaining an integrated and coordinated transport system; developing appropriate funding/financing mechanisms and facilitating public private partnerships.

1.2 Research Problem

Effective and efficient strategy implementation is core to an organizations success. When a strategic plan is drawn and strategies formulated during the planning stage, it is important that the implementation process is carried out involving all stakeholders in the organization. Some people think of execution as the tactical side of a business, but execution of a company's plans has to be built into a company's strategy, its goals and its culture with the leaders deeply engaged in it. Implementation of a strategic plan in an organization will entail converting the organization's strategic plan into action and results, a process that causes 'anxiety' with the policy makers if it is not maintained in depth.

The introduction and implementation of public private partnerships between the government and the private sector in Kenya is expected to improve efficiency and effectiveness in implementing projects in the country. A new strategic direction to address the investment and service quality in the transport sector was drawn in 2010 to address the investment and service quality in the sector and one of the strategic objectives was to facilitate public private partnerships (Sessional paper, 2010). However, despite this strategic plan and the now laid legal framework the success of the Public Private Partnerships in Kenya has not been entirely a success or at its optimum capacity. An example is the JKIA/ Greenfield airport terminal construction that is behind schedule and the crisis that ensued after the burning down of the arrivals terminal.

The government is also urging the private sector to partner in some major projects like the LAPSSET project which include the High capacity and High speed standard gauge railway from Lamu to Douala, the roads and the pipeline, the Nairobi, Mombasa &

Kisumu commuter rails among others. There has been challenges in getting the private sector aboard.

There is therefore need to look into the underlying challenges and processes that could be the main hindrances to the massive success that the public private partnerships should have and in particular in the transport sector in Kenya.

Studies conducted in this area are limited and focused on factors influencing successful implementation of public private partnership in other areas of the Government. For instance, Musyoka, (2012) looked at the factors influencing the performance of public-private-partnerships in the Kenyan housing sector. The study revealed that several factors influence PPPs. Mwaengo (2012) conducted a study on the Public-Private partnership strategic implementation initiatives at the Municipal Council of Mombasa. The study revealed that Mombasa Municipal Council has chosen Public private partnerships as a strategy of service delivery of four of its key mandates and revealed that although the PPP strategy had improved service delivery, the implementation faced many challenges. Others like Mzikayise (2009) studied the external mechanism of Public-Private-Partnerships to enable 8 municipalities to improve local economies that provide for job creations and employment for the local inhabitants in South Africa. From his findings he built a more appropriate Public-Private Partnership model called the Participatory Development Systems Model (PDSM) constructed from a number of sources and proven good practices both locally in South Africa and internationally. None of the studies has looked at the implementation of strategies in these public private partnerships and specifically in the transport sector, this being a core area of focus for the country's economic growth and which has had challenges.

From the discussion above, although there are laid procedures and processes in the government and in the subsequent partnerships with the private sector, there are unanswered questions as to why these partnerships are not as successful or do not get robust results. How is the Ministry of Transport and Infrastructure implementing public private partnerships in Kenya?

1.3 Objectives of the Study

The objectives of this study were;

1. Establish how the Ministry of Transport and Infrastructure is implementing Public private partnerships.
2. Establish the challenges the Ministry has encountered or is encountering in the implementation of Public Private Partnerships.

1.4 Value of the Study

Findings of this study will benefit the government, especially the Ministry of Transport and Infrastructure as well as private firms involved in PPP projects. It will help them understand how they can best align their partnership in a bid to achieve success, provide quality and better services in the transport sector in Kenya as well as other government sectors.

The study will be significant to other government ministries who are facing challenges with public private partnership in their various sectors. To the policy makers in the government, it will not only highlight on implementation of strategies but it would also help gain insight on significance of public partnership in service delivery hence formulate effective policies and regulations that will fosters public private partnerships.

In addition, the study will add knowledge to the existing body of literature on PPP in Kenya and open up areas for further research for academicians and researchers. The study will also be a source of reference materials for future researchers and academia on related topics and therefore it will be helpful to other academicians who undertake the same topic in their studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter has to do with the review of literature related to the study. It covers the various theories that guide the study and the empirical review related to strategy implementation.

2.2 Theoretical Foundation

The three theories discussed in this chapter are the Resource Based View, Balanced score card and the McKinsey 7s model. They all look at different areas that affect strategy implementation.

2.2.1 Resource-Based Theory or View (RBV)

This theory was developed by Birge Wenefeldt in 1984. It has to do with analyzing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. The RBV's underlying premise is that firms differ in fundamental ways because each firm possesses a "unique" bundle of resources - tangible and intangible assets- and organizational capabilities to make use of those assets. Each firm develops competencies from these resources, and when developed especially well, these become the source of the firm's competitive advantage (Pearce and Robinson, 2007).

In the context of this theory, the resources that a firm has will play a big role in the strategic implementation process. This is because no matter how good the strategies are, without the necessary resources to enable the implementation, they remain in the planning phase. In the case of this study, both the government and the private sector have resources that all determine the implementation of these partnerships but at different levels.

2.2.2 Balanced Scorecard

This was developed by Robert S. Kaplan and David P. Norton. It is a set of measures that are directly linked to the company's strategy and it directs a company to link its own long-term strategy with tangible goals and actions. The scorecard allows managers to evaluate the company from four perspectives: financial performance, customer knowledge, internal business processes, and learning and growth. The balanced scorecard contains a concise definition of the company's vision and strategy. It provides a framework to translate a strategy into operational terms: (Pearce and Robinson, 2007). This theory is hence important in the setting of attainable targets in an organization as targets which are not specific, measurable, realistic and timely will not be successfully implemented.

2.2.3 McKinsey 7S Model

McKinsey's 7S Model was created by the consulting company McKinsey and Company in the early 1980s. Since then it has been widely used by practitioners and academics alike in analyzing hundreds of organizations. The McKinsey 7S Framework was created as a recognizable and easily remembered model in business. McKinsey model describes the seven factors critical for effective strategy execution (Kaplan, 2005). It identifies the seven factors as strategy, structure, systems, staff, skills, style and shared values.

Structure is defined as the skeleton of the organization or the organizational chart. The authors describe strategy as the plan or course of action in allocating resources to achieve identified goals over time. The systems are the routine processes and procedures followed within the organization. Staff are described in terms of personnel categories within the organization (e.g. Accountants), whereas the skills variable refers to the capabilities of the staff within the organization as a whole. The way in which key managers behave in achieving organizational goals is considered to be the style variable; this variable is thought to encompass the cultural style of the organization. All members of the organization share some common fundamental ideas or guiding concepts around which the business is built. Organizations with weak values and common goals often find their

employees following their own personal goals that may be different or even in conflict with those of organization or their fellow colleagues (Martins and Terbalance, 2003).

It is only possible to understand the aspects of an organization by studying it closely through observations and/or through conducting interviews. If one of these variables is however altered, they can have a great impact on the structure, strategies and the systems of the organization and need to be therefore looked into.

2.3 Strategy Implementation

Strategy implementation is the process of allocating resources to support the chosen strategies. It is the manner in which an organization should develop, utilize and amalgamate organizational structure, control systems, and culture to follow strategies that lead to a competitive advantage and better performance. This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. The implementation process covers the entire spectrum of managerial activities including such matters as motivation, compensation, management, appraisal and control processes as well as application of the management process to obtain the desired results.

The need for strategic management has been necessitated by, among others, the increased expectations of customers for the quality and variety of consumer goods and personal services, the rapid advances of technology and the improvement in world-wide communications systems, leading to better and more timely information prior to decision making by buyers, sellers and middlemen/agents. Strategic thinking has to address such questions as “where do we want to be in 5, 10 or 20 years time? What do we have to achieve in order to get there? What resources are we likely to require? What changes are we likely to have to cope with in our operating environment? How can we gain and/ or retain the competitive advantage over others?” According to Thompson (2005) crafting and executing a strategy are the heart and soul of managing an enterprise.

It is useful to consider strategy formulation as part of a strategic management process that comprises three phases: diagnosis, formulation, and implementation (Mitchell, 2009). She contends that formulation produces a clear set of recommendations, with supporting justification, that revise as necessary the mission and objectives of the organization, and

supply the strategies for accomplishing them. She further asserts that in formulation, we are trying to modify the current objectives and strategies in ways to make the organization more successful. This includes trying to create "sustainable" competitive advantages - although most competitive advantages are eroded steadily by the efforts of competitors. Strategy implementation on the other hand, according to Daft (2009) is the stage of strategic management that involves the use of managerial and organizational tools to direct resources toward achieving strategic outcomes.

Strategy formulation and implementation are the most substantive decision making processes, covering four principal stages: formulating priority strategies; negotiating and agreeing action plans; designing and implementing demonstration projects; and Integrating projects and plans into strategic approaches (UN-Habitat, 2001). According to Mitchell (2009), it is important to consider "fits" between resources plus competencies with opportunities, and also fits between risks and expectations. She suggests that there are four primary steps in this phase: reviewing the current key objectives and strategies of the organization, which usually would have been identified and evaluated as part of the diagnosis; identifying a rich range of strategic alternatives to address the three levels of strategy formulation, including but not limited to dealing with the critical issues; doing a balanced evaluation of advantages and disadvantages of the alternatives relative to their feasibility plus expected effects on the issues and contributions to the success of the organization and deciding on the alternatives that should be implemented or recommended.

2.4 Strategy Implementation Process

A strategic plan is of little use to an organization without a means of putting it into place. In fact, implementation is an essential part of the strategic planning process, and organizations that develop strategic plans must expect to include a process for applying the plan. The specific implementation process can vary from organization to organization, dependent largely on the details of the actual strategic plan. If a strategy fails, it normally fails at this stage.

The process entails these basic steps, determining the tactics that support the overall strategic goals, then establishing the tactical plans with actionable projects and steps

placed on agreed-upon timelines to provide strategic momentum, unambiguous accountabilities are then assigned for the project and step completion, strategies are refined and adjusted as necessary to adjust to changing conditions in the organization, the marketplace, and the external environment and finally development of and identifying and identify the necessary operational, financial, personnel, technological and process resources to keep strategic implementation on track.

The implementation plan is clearly and consistently communicated throughout the organization, with specific steps, deadlines and accountabilities. Since the employees have participated in the planning, they are more committed to a “hit-the-ground-running” approach and take more ownership of the results. In-progress monitoring allows for adjustment of the strategy to better serve the changing needs of the organization.

2.5 Challenges to Strategy Implementation

The survival and growth of organizations will certainly depend on their ability to conceive competitive strategies and their eventual implementation. Beer and Eisenstat (2002) support this perspective and states that organizations must be open about barriers and their underlying causes. Some of these are lack of a fit between strategy and structure, excessive use of budgets, inappropriate management skills to drive strategy and poor identification of targets and coordination. Neely (1999) and Marginson (2002) also mention cost minimization as opposed to value maximization as a barrier to strategy implementation.

Strategy implementation is inextricably connected with organizational change. Changing one organizational element has a ripple effect that impacts other parts of the organization, which in turn have their own ripple effects, and so on. Beer and Eisenstat, (2002) identifies the six killers to strategy implementation as top down approach, unclear strategy and conflicting priorities, ineffective top management, poor vertical communication, weak coordination and inadequate down the line leadership skills. With different authors citing different barriers to strategy implementation, there is need for more studies and research on strategy implementation.

Organizations need to incorporate strategy implementation in the planning phase. This can be done by involving the persons' key to execution during the planning phase itself. It will not only help in gaining insights into practical aspects of the strategy at an early stage, but it also helps to get their whole hearted ownership and commitment to the implementation of the strategy. Planning is no doubt important, but making the plan work is a bigger challenge which deals with organizational politics, culture and sometimes managing change all of which require single minded pursuit from the top and unquestionable commitment from managers. Organizational politics (especially when strategy execution contradicts the existing power structure in the organization), may hamper proper allotment of resources, which will adversely affect performance.

Communication is vital in strategy implementation. Even though studies point out that communication is a key success factor within strategy implementation, communication to across the organization on issues related to the strategies and their implementation is frequently delayed until the changes have already crystallized. In this context, it is recommended that an organization to institute a two-way-communication programme that permits and solicits questions from employees about issues regarding the formulated strategy.

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

Lack of understanding of the strategies is one of the obstacles of strategy implementation (Aaltonen and Ikavalko, 2001). All strategies must be well understood before they can start being carried out. Byars (1996) observed that many organizational members typically recognize strategic issues as important and also understand their context in generic terms, but issues in understanding arise when applying or carrying out the strategies in the day to day decision making.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the research methodology that was used in the study. It outlines the overall methodology that was used to carry out this research. It involves a blueprint for the collection, measurement and analysis of data. In this section, the researcher identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically, the following subsections are included; research design, study population, sampling design and sample size, data collection methods and procedures; and finally data analysis.

3.2 Research Design

Research design refers to how the researcher put a research study together to answer a set of questions. Research design works as a systematic plan outlining the study, the researchers' methods of compilation, details on how the study will arrive at its conclusions and the limitations of the research. Research design may incorporate both quantitative and qualitative analysis.

The case study was used for this study with the intent of creating a deep understanding of implementation of Public Private Partnerships in the Ministry of Transport in Kenya. This method enabled the researcher to probe and obtain in depth information.

3.3 Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The process provides both a baseline from which to measure and in certain cases a target on what to improve. Data can be either qualitative or quantitative.

For this study the researcher used an interview guide to collect data. Top level management officials of the departments involved in the implementation of public private partnerships were interviewed. The number of these top officials was eight.

3.4 Data Analysis

Content analysis was used to analyze data for this research. To conduct a content analysis on any text, the text is coded or broken down to manageable categories on a variety of levels. These could include word sense, phrase, sentence, or theme then examined using one of the content analysis basic methods namely conceptual analysis or relational analysis.

The data collected for this study was qualitative data, as an interview was conducted with the help of an interview guide. The interview guide does not limit the respondents on answers and has a potential for generating more information with more details.

The data was first sorted out around key central questions and used in pattern matching and explanation building. This was done to establish whether it would fit or fail the research questions.

CHAPTER FOUR:

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

Discussions and findings discussed with reference to the research methodology are discussed in this chapter. Findings on implementation of public private partnerships are presented. Data was collected from eight interviewees in different capacities through the use of an interview guide as the instrument for research.

4.2 Implementation of PPPs in the Ministry of Transport and Infrastructure

When putting a strategic plan in place at the planning process, it is important to involve all parties that will be involved in the whole process, until the implementation stage. How the implementation process is carried out however determines the success or failure in achieving the expected results. From the research conducted, the interviewees to have extensive experience within the Ministry and they were all in the top management level. This is the level involved with the vetting, appointment, implementation process all the way to the conclusion of various projects.

One objective of this study was to establish implementation of PPP projects in the Ministry. It emerged from the findings that the ministry being very keen on quality of the services provided, timeframes of the projects and the cost implications of these PPP projects, sets aside a team that is involved with the implementation of the projects. The team entails the top level management who were involved in the inception stage. Finances for projects expected from the Ministry are allocated in their budget which is the approved by the Ministry of Finance and this done and reviewed every year.

For a strategic plan to be efficiently and effectively implemented, the strategic plan has to be communicated to the stakeholders clearly. Some respondents indicated that it was communicated during seminars, while others said it was through circulars and questionnaires circulated in the office. Others said it was by word of mouth during the various departmental sessions held from time to time. This is not a sufficient way of communicating a strategic plan as there is no way for the staff not involved in the

decision making process to ask questions or give their suggestions on how projects can be implemented better.

Procedures of how implementation should be carried out are laid down in the Privatization Act of 2005. The ministry makes strategic decision for the PPP projects in general which are stipulated in the strategic plans of the ministry. These are however re-evaluated for each project and based on the involvement, timeframes constraints and expected responsibilities of both the Ministry and the Private Partner involved to suit the project. The lead responsibility of the action plan implementation lies with the committee appointed for the PPP projects. The committee will usually include different professionals within the ministry and those in the top level management. More often than not, these responsibilities are left to the professionals especially the fine details involved in the project implementations which is the point at which the project could be a success, stalled or a complete failure. These responses on were reflected across the board from most of the respondents interviewed.

On the question of whether the Ministry is able to measure the performance standards for the Ministry's plan elements and those of the PPP partner it was clear that there defined performance standards that the ministry can use to gauge how the implementation is being carried out and if it is going as is expected. The basic standards were outlined in the PPP regulatory framework that was passed by parliament and passed to law in 2013. The Ministry of Finance PPP unit also has standards based on which evaluation of PPP projects from other Ministries are carried out especially for funding purposes. Monitoring of these performance standards and implementation processes is however done by the PPP committee in the Ministry of Transport and Infrastructure for all their projects.

From the findings of the study, the director of the department together with the project manager are mandated with the task of monitoring how well the performance standards are met. This is the team that was involved in the inception of the project and can therefore be the only team that oversees the projects day to day happenings. Some respondents indicated that it is important for this stage never to be overlooked or left to some parties as it could result to a project being completed but it being of a poor quality that is not worth the cost incurred for it.

When interviewed regarding the review of monitoring data, the respondents gave responses that did not entirely agree although they agreed on what ought to be done. This is attributed to the fact that they are representatives of different departments within the Ministry. It emerged from some respondents that when a project is ongoing, the Ministry rarely reviews the short term strategies or the monitoring data. They are reluctant to do this as it is deemed to affect the expected results on completion of the project. They are supposed to review the strategies but they do not. This should however not be the case as it is what could lead to a project not being completed, reason being there are time when the set standards may not be realistic when the project commences. These could be due to varying reasons like the reasons beyond the control of either partner being incapacitated or delays from the government among others.

The other respondents indicated that they implied, implored oversaw the committee to go back and review monitoring data as well as short term strategies as the project went along. This has seen the successful completion of many PPP projects. On probing for reasons as to why their colleagues in other departments within the same ministry may not have embraced this, respondents indicated that it was a matter of the leadership practices possessed by different leaders and the guidance from the team of professionals involved for each project. Most of these respondents asserted the particular importance for directors, assistant directors and project managers to review these strategies and monitoring data as the projects are ongoing.

From the study it emerged that competitiveness in the provision of goods and services for public consumption ensures that the partnership delivers value for money for the public. This is because these partnerships are established in an environment rooted in long term cooperation which delineates authority, communication and information channels. Further, services provided through the involvement of the private sector were very cost effective and allowed the public entities to respond to market forces and become more competitive while avoiding moral hazard and improving efficiency in infrastructure.

Although formulating a consistent strategy is a difficult task for any management team, implementing it is even more difficult. The study revealed that the implementation process in the ministry was well outlined but there were lapses in some areas of the process. The government in their bid to woo private investors and firms to partner with it has gone the extra mile and implemented or formulated laws and regulations for these partnerships to protect both entities.

While it is true that the departments had a team involved in the whole implementation process, some responsibilities like constant monitoring of the project was left to some individuals and not the whole team at some instances. Other times the project goals are not attainable and some departments do not consider reviewing this. This in turn leads to higher cost implications or stalled projects, therefore loss of funds and this trickles down to the would have been beneficiaries of these projects who are the citizens. Some cases end up in court which takes a very long time to review.

The government uses common laws which are conducive for the establishment of a PPP. The existence of strong regulatory framework of utility sectors, strong procurement and contract laws, clear taxation policies, a justice system and PPP Regulation (flexible regulations) has served to provide a conducive environment for the establishment of PPP thus bringing in investor confidence. This was provided by the through the cabinet committee that established the PPP regulatory framework. This clarified the roles and responsibilities of various bodies in the PPP process, it has also given the scope, types and minimum contractual obligations for each partner.

4.3 Challenges the Ministry has encountered in Implementation of PPPs

To attain success in strategy implementation, an entity or organization should understand the impact of strategy and external environment, internal resources, expectations and the influence of all stakeholders. The different people, resources, support systems, work environments and even work environments play a major role in strategy implementation. This requires a customized approach to strategy implementation, an approach based on individual project. The basic tasks of implementation include allocating activities, establishing strategy and supportive policies and procedures, installing support systems

as well as exerting proper strategic leadership. These variables if not well administered could lead to an impediment in the strategy implementation process in any organization or entity. As was in the second objective, the study sought to determine the challenges the ministry has encountered and is still encountering as this is an ongoing process.

It emerged from the findings that the specific ministry does not periodically gather and analyse data about the markets and other external forces that could affect implementation of PPPs. This is instead left to the other government regulatory bodies. This is a challenge because it is the individual ministry that is aware of the specific needs and hurdles with regard to the implementation process. They are involved in the day to day happenings as well as the long term results and are therefore better placed to study the markets affecting their PPP implementation and uptake by the private partners.

From the findings, the interviewees confirmed that although the directors and top management officials involved in the strategy implementation participate in the formulation process, the process is mostly affected by internal wrangles. This is because at this point there are a lot of vested interests by top government officials that want maximum benefits from a project. This ends up being a huge problem especially when specified partners are favoured over more potential and able partners. This mostly happen at the stage where there is a call for PPP project and possible partners shortlisted.

This further leads to improper vetting of the private partners because there is undue influence from within the ministry for some interested and probable partners. Although there is the committee involved in this vetting, corruption has led to the unfortunate scenario whereby for some projects the partners chosen are not those that will carry out the project to its completion on the best terms and for the best quality.

From the findings another major challenge to implementation was political interference. Most of the respondents indicated that during an implementation process of a PPP project, it has happened in several cases where politicians had interest on a PPP project or other past projects interfere with the process by laying unwarranted claims on the process when it has already began. When allegations are tabled to parliament the whole process has to start being investigated as is required by law and this leads to delayed

implementation process. In some occasions the private partner in retaliation takes the process to court and may end up not finishing the project or even getting payments for damages, costs that could have been avoided if there was no interference from politicians.

The Ministry sometimes gets allocations that are not what had been budgeted for as most of the interviewees brought out. This affects the kind of projects they can carry out and it is specifically a constraint where a very experienced private sector partner was required. This means that the Ministry is not in a position to engage the right people for the job because of lack of enough funds where this will be required. As is with most PPP projects, the funding comes from the private partner but the government eventually pays back the investment or the partner gets proceeds from the operation of the project over time to pay for the costs incurred. Where the Ministry through the government is required to pay and the budget allocation is lower than expected expertise they have to work within their constraints and choose whatever fits in the budget. This becomes a huge challenge for the ministry.

It further emerged from the findings that proper monitoring and evaluation of projects is another challenge the Ministry encounters. Lack of internal capacity in both the government and the private partner leading to lack of proper skill sets or the dedicated team to manage complex PPPs. Sometimes the Ministry lacks the expertise to monitor a project as is supposed to be. The Ministry may then need to hire an external consultant or make do with those available. The consultant appointed needs to be familiar with the expected standards within the Ministry and within a very short time. This is a challenge because that consultant may end up monitoring and evaluating a project without knowledge of some expected standards, not because they are not qualified but because they apply the standard required elsewhere and not what the Ministry requires. In the end the quality of the project is affected.

The other challenge the Ministry has experienced from the findings of this study was the lack of Private partners 'appetite' for PPP projects. The private sector has been found not to be enthusiastic about partnering with the government on projects. There is a myriad of reasons as to why this is the case but key among them is the lack of proper risk allocation mechanisms for projects. When a project fails the reasons could be beyond the control of

both the Ministry and the Private partner. If this is the case neither of the parties want to take the blame and since the laid out procedures do not allocate the risk appropriately the private partner since they were carrying out the project end up being the loser in this process. The government has tried to take care of this challenge by formulating proper regulations but it still hasn't been curbed. This leads to the private sector not getting into partnerships with the Ministry and eventually lack of funding where the government cannot support the projects.

Competitive procurement is a key ingredient of public private partnerships in any country. From the findings of this study the challenges encountered in this process are an impediment to the successful completion of the task and in allocation the job to the right partner/s. The process according to the interviewees requires more work than the traditional government procurement and subject stakeholders which include the PPP unit, the public and other government agencies. This entails a lot of scrutiny which government officials may not be willing to go through as it is viewed as a n interference or micro –management.

Another challenge that the Ministry encounters is inadequate planning and poor setup. The success of a PPP is always traced back to the initial design of the PPP policies, legislation and guidance. This affects provision of quality services as they are embroiled in addressing issues that were to be addressed at the initial stages of the PPP rather than providing services to end users. In most of the projects where this was not looked into a problem ensues and a poor quality project is witnessed.

The Ministry is also affected by the political and socio economic environment. Although this is beyond the Ministry's control is a very important factor when it comes to the implementation of PPPs. This is because it leads to stalled projects if the environment for conducting businesses is not conducive for any investor. Is there is rampant insecurity then investors are either not able to complete projects that have been started or they are not even able to start the projects. The private sector will not be involved with public projects in the government of the day is not stable. From the findings of this study, executives agreed that it is very important for the government to maintain conducive political and socio economic climate for investments and more so partnerships to thrive.

4.4 Discussion of the Findings

This section discusses the findings of the study by relating the objectives of the study with existing literature. It makes comparison between the study and the theories that were discussed as well as comparison with studies that have been done in the past that were found to relate to this study.

4.4.1 Comparison with Theories

The findings of the study concur with what various theoreticians and studies identified as the areas of focus and action during the implementation of a strategic plan. The objectives of the study were to establish implementation of PPPs by the Ministry and establish the challenges encountered in this process.

In the context of the resource based theory, the resources that a firm play a big role in the strategy implementation process. The Ministry of Transport and infrastructure possess a unique bundle of resources that play a major role in the implementation of the PPPs as was established during this study. It was established that the combination of assets the ministry has ,the competent staff with different capabilities and other intangibles have contributed to the successes experienced in implementation of PPPs and has greatly improved their performance.

From the interviews conducted and data provided from the Ministry, it was evident that the government is very keen on employing staff that fit the required criteria for the committee that oversees implementation of PPPs as an outline on who fits what job description was provided. Respondents indicated that there is a vetting committee that undertakes all interviews for the required team and ensures that the process is properly carried out and successfully.

The strategies of an organization should be measurable and attainable. These are directly linked to the action plans and goals and will usually include financial performance, customer knowledge, the internal processes as well as learning and growth. This is the basis on which the balanced score card was developed. It lets executives see whether they have improved in one area of the organization at the expense of another, protecting the

organization from suboptimal performance. According to the interviewees, it was confirmed that the Ministry has a set of goals that are measurable for the PPP implementation that act as a guide to the process.

The Ministry of Transport and Infrastructure has a budget that is set annually for all departments. This budget is reviewed every year with a view to establish progress and the results of actions that have already been taken. It was established that PPP projects within the different departments at times run for a longer period than the annual budget period and for these the reviews are still carried out during the set periods based on the requirements of each unique PPP project. The Ministry measures its financial objectives to indicate whether the performance the strategies for the PPPs and their implementation contributes to the improvement of the departments and towards achievement of the vision 2030. The respondents affirmed that the budget is reviewed annually for each department and funding revised where necessary. Respondents also confirmed that although some PPP projects run for longer than the budget period, their performance is constantly measured as they are implemented.

The Government through the Ministry constantly identifies key areas in need of different infrastructure developments. Some of these can only be funded through the PPPs and it is therefore very important for the Ministry to identify key partners as well as developing new ones. This can only happen by there being successful outcomes from previous partnerships which are a result of well formulated and implemented strategies. The directors and top level management in the Ministry is therefore able to articulate the strategies that deliver robust results even in the future. The biggest challenge for the Ministry on this is the problem of improper vetting and vested interests within the organization.

Directors are unable to deliver successful projects in some cases because they do not have control of the vetting process and also the appointment of the best partners for the different PPP projects. Respondents indicated that the process was interfered with mostly by politicians who may have interest in the specific PPP project or even those selected

and appointed to form a vetting committee for the tendering process for PPP partners. It was established that it is very important for the Ministry to identify the gaps that are brought about by the financial, customers/partners and the internal business process objectives and invest in systems and procedures that will be able to achieve breakthrough performance of PPPs.

The findings of this study further confirm that there exists a strong relationship between McKinsey model and the implementation of PPPs by the Ministry. The model describes the critical components required for successful strategy implementation as strategy, structure, systems, staff, skills style and shared values. To incorporate these components into its implementation strategy, the Ministry was found to have included each aspect in their implementing committee. Shared values was the only aspect that was not all inclusive as at some instances the Ministry hires external consultants who for their expertise and may not be familiar with the shared values of the Ministry.

This is however not a big challenge as they try to incorporate other aspects in the chosen consultant as was confirmed by the interviewed respondents. It was generally found that the study results generally agreed with theory as they serve as a guiding principle of what is important to the organization.

4.4.2 Comparison with other Studies

From this study, the Ministry of Transport and Infrastructure is at the core of implementation of PPP projects as it one of the key Ministries that has a lot of infrastructure development to be done if the country is to be a middle income economy by the year 2030. Kenya Vision 2030 aims at transforming Kenya into an industrialized middle income country by the year 2030 which requires heavy investments in infrastructure services which the Government cannot meet by itself. Lack of adequate infrastructure results in huge costs to the society from lower productivity to reduced competitiveness and ultimately loss of business.

The findings of this study conformed to findings of other studies on most aspects of strategy

Implementation. Musyoka, (2012) looked at factors influencing the performance of PPPs in the Kenyan housing sector. Among these were political and socio-economic environment factors, and Risk management and allocation issues which were found to be key factors. These are all factor that are seen to be replicated in this study in that they were part of the responses from interviewees as areas of concern in the implementation. This study is not in agreement with all the factors as some of these have been looked into by the government and the government has embarked on measures to create investor certainty and confidence.

Mwaengo who conducted a study on PPP strategic implementation initiatives found that due to the success associated with a well implemented PPP, they have chosen them as a strategy for service delivery of four key mandates which are parking services, street lighting, beautification of roundabouts and parks as well as provision of toilet facilities. This study was in agreement with that of mwaengo in that the implementation still faced some challenges like lack of expertise, political interference among others. It was also evident from the two studies that it was of utmost importance that involvement of all stakeholders in the implementation process was important. The study however differed in the sense that policies and regulations had not been laid at the time. During this study it was found that the government has been successful in issuing PPP regulation which were formulated in 2009 but passed and signed into law in 2013.

Many studies have been conducted in this area of Public Private Partnerships with some results being in conformity with this study in some aspects while others are not as the results have been overtaken by events the government has embarked on. It is however important to note that these studies have focused on a smaller areas of the economy and those that look at the wider spectrums of the country are more general and without specific focus on the government bodies and how they carry out their process and their interaction with the private sector. Further, there is a gap in the area of how PPPs are being implemented after the government's embrace of this concept and it passing necessary regulation towards it. This study is focused on the Ministry of Transport and Infrastructure, a Ministry that has developments in every part of this country and is a key area of focus with regards to the actualization of the vision 2030. It was on these basis that a research gap was established and this research study embarked on.

It emerged from this study that the implementation of PPPs is sometimes successful and other times the process does not proceed to conclusion. The Ministry has a team of experts which forms the committee that oversees PPP implementation to ensure that timelines are properly adhered to. Further, the committee is also assigned the responsibility of evaluating and monitoring the implementation process.

The Ministry has set standards and procedure to be carried out in the process and is therefore responsible for the outcomes of the process. Although this is not always properly carried out, the team allocates responsibilities to specific officials for the different activities. These responsibilities are sometimes left to these individual officials leading to stalled projects or incomplete projects.

Data is also supposed to be reviewed regularly throughout the process of a project although this does not often happen. This is left to different regulatory bodies which should not be the case in the implementation process. The committee though tasked with the responsibility of the implementation does not get to engage their external partners on issues that affect implementation of these PPPs. This means that data collection on factors that affect the implementation process is not collected.

From the findings of this study it was also established that among the challenges faced by was interference from within the Ministry by the top officials. This is a result of vested interests from these top level managers. This of course leads to improper vetting practices which result to poor projects. This being the case of what happens investors tend to shy away from these projects for fear of investments with the government.

Low budgetary allocations on some cases also caused the implementation process to stall or to abort as the Ministry may not be able to support the cost implications of a project once it is completed. This weighs heavily on the beneficiaries of the proposed projects as it will lead to low productivity levels among others.

CHAPTER FIVE:

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

Strategy Implementation is concerned with putting the strategic plan into action and managing the change. The process is laden with complexities and challenges but managing these determines the success or failure of a strategic plan. The objectives of this study were to establish the Implementation of PPPs by the Ministry of Transport and Infrastructure and to establish the challenges faced by the ministry in the implementation of these PPPs. This chapter summarizes the findings and draws conclusions. It also includes recommendations for the Ministry as well as suggestions for further studies and research.

5.2 Summary of Results

The researcher proceeded to interview six out of the ten correspondents for this study by way of an interview guide. This study has revealed how the Ministry implements PPP projects by looking at the various areas of concern for strategy implementation and has also found out that there are challenges facing the implementation process that need to be looked into.

5.2.1 Implementation of PPPs in the Ministry of Transport and Infrastructure

The Ministry has set standards and procedure to be carried out in the process and is therefore responsible for the outcomes of the process. Although this is not always properly carried out, the team allocates responsibilities to specific officials for the different activities. These responsibilities are sometimes left to these individual officials leading to stalled projects or incomplete projects.

Findings of this study have established that the government is working on improving the PPP climate by doing several things among which is to create more certainty and investor confidence and overcoming procedural, legal impediments and difficulties that are faced by the government in the implementation of projects among others. The Ministry of

Transport and Infrastructure is key to these development and it is therefore very important for PPPs to be successful by proper implementation.

Data should be reviewed regularly throughout the process of a project although this does not often happen. This is left to different regulatory bodies which should not be the case in the implementation process. The committee though tasked with the responsibility of the implementation does not get to engage their external partners on issues that affect implementation of these PPPs. This means that data collection on factors that affect the implementation process is not collected.

Findings of the study concluded that economic viability affects the performance of PPPs . Financial capability, sufficient profitability of the project on return on the investments and long term demand or use of the project affects the performance of the PPP as there is always a long term relationship between the partners. Implementation is therefore very key as it will influence the success of the project.

5.2.2 Challenges encountered by the Ministry in PPP implementation

Political interference is one of the challenges that affects the implementation process of PPPs as was discovered in this study. This could be direct interference causing the project to take longer than was expected, costing all the parties or it could be as a result of political instability instances within the country from time to time. When the political environment is not certain then it affects the investor appetite for investing in the country. This will normally affect most of the Ministries involved with PPP projects.

Dispute resolution mechanisms between the Ministry and the private partner especially when there is a change in law or if a project is terminated before tem is also another challenge. Low budgetary allocations on some cases also caused the implementation process to stall or to abort as the Ministry may not be able to support the cost implications of a project once it is completed. This weighs heavily on the beneficiaries of the proposed projects as it will lead to low productivity levels among others.

From the findings of this study it was also established that among the challenges faced by was wrangles from within the Ministry by the top officials. This is a result of vested interests from these top level managers. This of course leads to improper vetting practices which result to poor projects. This has also caused the private sector to look at these projects as risky.

5.3 Conclusion

Strategy implementation is the most difficult part of strategic management and many plans fail at this stage. Based on the results from this study, it was established that the implementation of PPPs in the Ministry is sometimes successful and other times the process does not proceed to conclusion. The Ministry has a team of experts which forms the committee that oversees PPP implementation to ensure that all expected stages of the process are carried out but at the same time these stages are not properly adhered to and monitored for changes where called for. This in turn leads to the success of the PPP projects not getting the successful results that would be witnessed if this was adhered to. Further the challenges faces by the Ministry in the implementation of PPP projects need to be looked at as they are impediments that the Ministry can easily overcome with the help of the National Government.

For the Ministry to be able to successfully implement it's strategy, it must ensure that there is existence of all the strategy supportive aspects of the Ministry. These should not be taken in a piecemeal and should be aligned in a way that will ensure that the Ministry experiences successful strategy implementation and consequently achieve sustainability, prosperity and expected infrastructure development for the vision 2030.

Further the study concluded that the PPPs provides opportunities for development corporations to harness private enterprises as a means towards economic and social development and for this to be realized issues on internal interference of PPP implementation, proper vetting of all stakeholders, political interference, proper vetting, evaluation and monitoring of projects needs to be looked into.

5.4 Recommendations

The study concluded that among the major challenges to implementation of PPP projects is inability to review short term strategies during the life of a project as and when required. If the goals set at the beginning of a project do not seem attainable mid-way of a project it is important for the team involved in the project to sit back and evaluate the situation for better results in the PPP. The strategies should be clearly communicated to those involved in the process including the private partner. Further when the committee allocates duties to members in the consortium it is important to monitor what is happening even if they are not involved in the details of the ongoing process. This ensure that a project is completed successfully and to expected standards.

It is important that the Ministry formulates a proper procedure of investor selection which is transparent, fair and competitive. This will enable the Ministry from being unable to choose the right partner as well as create investor certainty and confidence. This will also help sort out the problem of internal wrangles and vested interests. The Ministry through the government should also look at the risk allocation aspect in respect of change in law of force majeure, termination procedures as well as compensation where necessary. This will increase the private sector confidence in the process.

The ministry should also look into the process of periodically gathering and analysing data about the market and other external forces that affect the implementation of PPPs. This they should not leave to the other organs of the government but they should be involved in.

5.5 Limitations of the Study

This study encountered several limitations. The study target people for the interviews were Directors in the different departments of the Ministry of Transport and Infrastructure. This being the cases means that they had very limited time for an interview for those that were available due to the nature of their tight schedules. Interviewing top level executives in the organization on strategy implementation is like asking for a self evaluation. It also demands that the informant makes a judgement on the institution they work for. It is expected therefore that some of the responses were likely to

be biased as the informant may perceive penalties resulting from taking a particular position on an issue. This was, however, minimized by assuring the informants that the information was to be used solely for academic purposes.

This being a government Ministry there was initial unwillingness to share information about the ministry for fear of that being an investigation being conducted on the specific interviewee.

Another limitation was that some respondent were not able to understand the questions immediately and they tended to veer off in their responses which caused the researcher to spend considerable time with them which gave very little time for some questions. This was mainly because officials in the ministry are still in the process of differentiating the PPP's and the procurement act.

5.6 Suggestions for Further Study

No research is considered an end in itself as research findings lead to more areas of further research with a view to bridge the knowledge gap in as area of study. This study focussed on the PPP implementation by the Ministry of Transport and infrastructure. The process involves both the Ministry and the Private sector entity. There is need for research on implementation of PPPs by the Private sector or Partners.

Another area of Study would be PPP projects with foreign investors. This would be with other country governments and how the process is carried out between them and the Kenyan government.

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APPENDICES

APPENDIX 1: INTERVIEW GUIDE

1. What Position do you hold in the Ministry of Transport and Infrastructure? For how many years have you been with the Ministry?
2. How is Strategy communicated to the other staff within the organization?
3. When appropriate, do the goals of the ministry, in relation to Public Private Partnership's list quality, time frame, and cost targets? Are they observable or measurable?
4. Are the goals set for Public Private Partnerships by the Ministry realistic and attainable based on your experience?
5. Does the Ministry periodically gather and analyze data about the market and other external factors which affect the implementation of public private partnerships?
6. Does the Ministry provide resources (managers' time, money, staff support, etc.) earmarked specifically for strategy Implementation in Public Private Partnerships?
7. Does the Ministry follow a defined set of procedures in its strategy implementation in Public private Partnerships?
8. Do all directors/managers whose work might be affected significantly by strategy implementation participate in the formulation and implementation process?
9. Does the Ministry make strategic decisions (implementation action plans) based upon the Public Private partnerships?
10. Does the Ministry clearly assign lead responsibility for action plan Implementation to a team?
11. Does the Ministry set clearly defined and measurable performance standards for both the Ministry's plan elements and those of the Private sector partner?
12. Does the Ministry develop an organized system for monitoring how well those performance standards were met?
13. Does the organization review monitoring data regularly, and revise Strategic decisions as appropriate?
14. What are the main success factors for these partnerships in the Ministry?

15. What are the challenges the Ministry has experienced in the implementation of these partnerships and especially those that were not completed, stalled or aborted?


APPENDIX 2: CORRECTION FORM

**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS**

PROPOSAL CORRECTION FORM

Student Name..... Sheila N. Muasya
Registration Number..... N61166950/2011
Department..... Business Administration
Specialization..... Strategic Management
Title of Project Proposal..... Implementation of Public
Private Partnerships by the Ministry
of Transport and Infrastructure in Kenya

The student has done all the corrections as suggested during the Proposal Presentation and can now proceed to collect data.

Name of Supervisor..... Prof. F. Amu..... Signature..... ..... Date..... 14/10/14

