

**CHALLENGES OF STRATEGY IMPLEMENTATION OF
PUBLIC PRIVATE PARTNERSHIP IN INFRASTRUCTURE
DEVELOPMENT AT RIFT VALLEY RAILWAYS KENYA
LIMITED**

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DECLARATION

This research project is my original work and has not been presented to any other university for a degree award.

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The research project has been presented with my approval as a university supervisor.

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DEDICATION

I dedicate this work to the happy memory of my late father Cllr. Thomas Bwana whose love and support I truly miss; my loving mother Mrs. Mary Awino who has instilled in us values of hard-work, honesty and discipline. To my wife for her love and to our sons Melvin and Manuel, my you grow up in the fear of the Lord and all others shall follow.

ABSTRACT

Strategic management involves the analysis of decisions and actions that an organization undertakes in-order to create and sustain competitive advantage. It provides overall direction to the organization; it involves specifying the organization's objectives, developing policies and plans to achieve the set objectives, and allocating resources to implement the plans. Moreover, strategy implementation is the process that puts plans and strategies into action to reach goals. The strategic plan remains forgotten without implementation, the implementation makes the organizational plans happen. The strategy implementation is critical in the success of public private partnerships (PPP); public private partnerships exists when public sector agencies join up with private sector agencies and enter into a business relationship to attain a commonly shared goal that achieves objectives of the individual partners. Public private partnership strategy is fast gaining recognition across the globe. The strategy implementation stage in the strategic management process is considered the most complicated stage since it requires managers to convert plans into actions to enable the achievement of goals. Consequently, the objective of this study was to establish the challenges of strategy implementation at Rift Valley Railways Kenya Limited. The researcher adopted a case study research design. The study targeted five senior managers at Rift Valley Railways Kenya Limited. The research instrument was an interview guide administered in a face-to-face meeting with the study's key respondents. Primary data was analyzed by content analysis technique. The study revealed that the challenges of strategy implementation of PPP in infrastructure development at Rift Valley Railways Kenya Limited were institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity. The study therefore suggests that further research should be carried out on the challenges of strategy implementation for other firms in Kenya; and that another research be carried out on the challenges of the formulation of PPP strategy by firms in Kenya.

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LIST OF ABBREVIATIONS

7S'	Strategy-Structure-Systems-Staff-Skills-Style-Shared values
BSC	Balanced Score Card
CG	County Government
GCC	Gulf Corporation Council
GOK	Government of Kenya
GOU	Government of Uganda
KRC	Kenya Railways Corporation
KSHs	Kenya Shillings
MoF	Ministry of Finance
NG	National Government
OECD	Organization for Economic Corporation and Development
PPP	Private Public Partnership
RBV	Resource Based View
RVR (K)	Rift Valley Railways Kenya
SWOT	Strength-Weakness-Opportunities-Threats
UK	United Kingdom
US\$	United State Dollars

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management as a discipline originated in the 1950s. A number of scholars have contributed to the discipline. Chandler (1962) recognized the critical value of coordinating the various roles of management under one all-encompassing strategy, and the importance of taking a long term perspective which is necessary to give an organization structure, direction and focus. Moreover, Selznick (1957) noted the importance of matching organization's internal factors with external environmental factors. Further, the strengths and weaknesses of organizations are analyzed in light of the opportunities and threats from the business environment. Ansoff (1984) built on Chandler's work by developing strategy grid that compared market penetration strategies, product development strategies, market development strategies, and diversification strategies. Ansoff noted that organizations could use the strategy grid to prepare for future opportunities and challenges.

Strategic management has had positive effect on long-term organizational performance. Three main stages of strategic management are the formulation, the implementation and the evaluation of strategies (Hitt, Hoskisson, and Ireland, 2011; Thompson and Martin, 2005). In addition, both correct formulation and effective implementation are critical to success of organizations (Heide, Gronhaug, and Johannessen 2002); however, the effective implementation of an ordinary strategy can beat the second rate implementation of an excellent strategy (Starling, 2003). In fact, any strategy formulated is not considered effective since it require to be implemented before it can create value to the organization (Heide, Gronhaug, and Johannessen

2002). Additionally, Porter (1980) describes competitive advantage as the ability by an organization, gained through attributes and resources to perform better than other organizations in the same industry.

The Government of Kenya (GOK) and the Government of Uganda (GOU) made a strategic decision to jointly concession the Kenya Railways and Uganda Railways. The concession agreement commits the concessionaire to provide freight services for a period of 25 years, and passenger services in Kenya only, for five years. Additionally, both governments own the railway infrastructure and facilities while the concessionaire, Rift Valley Railway Kenya Limited operates trains and maintains the infrastructure. The goal of the joint concession is to increase operating efficiency and quality of service delivery. The concession program allows the two railways to be able to capture a much higher share of the freight market, and consequently contribute to a reduced transport cost, reduced congestion on roads, reduced environmental pollution, increase competitiveness of the national economies, and act as a catalyst for regional integration, and growth. The long-term concession contracts shifts the risk of investment in rail infrastructure from the public to the private sector (www.riftvalleyrail.com).

1.1.1 Strategic Management Concept

Strategic management involves the analysis of decisions and actions that an organization undertake in-order to create and sustain competitive advantage. Strategic management provides overall direction to the organization; it involves specifying the organization's objectives, developing policies and plans to achieve the set objectives, and allocating resources to implement the plans (Porter, 1980). Further, it involves the

systematic analysis of the factors associated with customers, the organization, and competitors to provide the basis for obtaining optimum management practices. Additionally, Porter (1980) identifies three principles underlying strategy as: creating a unique valuable market position, making trade off in decisions, and creating fit by aligning company activities to one another to support the chosen strategy.

Strategic management entails the analysis of strategic goals -vision, mission, and objectives- of an organization, and the analysis of the internal environment and external environment of the organization. Strategic managers make strategic decision about the industry to compete in and also how to compete in the selected industry. Additionally, decisions are made on whether organization's operations will be in the local or international markets. Moreover, strategic management concept entails the determinations of how a firm will compete to enable a firm obtain advantages that are sustainable in the long-term (Gregory, Lumpkin, and Taylor, 2005). According to Porter (1980), competitive advantage cannot be achieved through operational effectiveness -performing similar activities better than rivals -alone; strategy is mostly about being different from competition. And that sustainable competitive advantage is possible only through performing different activities from rivals or performing similar activities in different ways.

1.1.2 Strategy Implementation

According to Lorette (2014), strategic implementation can be understood as the process that puts plans and strategies into action to reach goals. The strategic plan remains forgotten without implementation, the implementation makes the organizational plans happen. The strategic implementation is critical in the success of

a public private partnership (PPP) program. It addresses who, where, when and how of reaching the desired goals and objectives. Implementation of strategy occurs after environmental scan, strength-weaknesses-opportunity and threats (SWOT) analysis, and identification of strategic issues and goals. It involves assigning individuals to tasks and timelines to help the achievement of goals. A successful implementation will have a visible leader, engages every party in execution of the plan, and performance measurement tools available to provide motivation and allow for follow up.

The strategy implementation stage in the strategic management process is considered the most complicated stage since it requires managers to convert plans into actions to enable the achievement of goals. This therefore requires that the managers must also be leaders in the organization. As leaders, manager's ability to manage and motivate the team, communicate vision and goals, monitor performance as well as detect and correct anomalies in a timely manner play a critical role in the effectiveness and success of strategies (Gregory, Lumpkin, and Taylor, 2005). Consequently, David (2011) noted that strategy implementation is the most challenging and difficult stage in strategic management. Moreover, the improvement of service delivery is a critical issue facing organizations (Boyne and Walker, 2004).

There are a number of the models describing the key variables in effective strategy implementation. Such as: the McKinsey's 7S model (Kaplan, 2005), Balanced Score Card (BSC), and the Resource Based View (RBV). According to Waterman, Peters, and Phillips (1980), the 7S' include: strategy, structure, systems, staff, skills, style, and shared values. Moreover, Kaplan, 2005 modified the 7S' through categorization

into a Balanced Score Card (BSC) system. Despite this modification, the 7S model still ignores the effect of external factors on strategy implementation (Barney, 2001). As per the Resource Based View (RBV), the performance of an organization is determined by its internal resources such as physical, organizational and human capital (Barney, 2001). Hutzschenreuter and Kleindienst (2006) notes that there is no agreed upon dominant framework in strategy implementation. Consequently both practioners and researchers have been affected equally (Alexander, 1991; Okumus, 2003).

1.1.3 Public Private Partnership (PPP) Concept

Definitions of Public Private Partnership (PPP) differ from one nation to another. The Organization for Economic Corporation Development (OECD) defines PPP as an agreement between the government and one or more private partners where the private partners deliver the services so that the service delivery objectives of the government are aligned with the profit objective of the private partners and the effectiveness of the alignment depends on a sufficient transfer of risk to the private partners (OECD, 2008). The Federal High-Way Administration, (2009) defines public private partnership as a contractual agreement formed between public and private sector partners, which allows more private sector participation than is traditional. PPP exists when public sector agencies join up with private sector agencies and enter into a business relationship to attain a commonly shared goal that achieves objectives of the individual partners. It is noted that many forms of partnership between public and private sector exist depending on the political environment, the nature of assets and the level of private sector participation. Public Private Partnership strategy is fast gaining recognition across the globe.

According to the Government of Kenya (GOK) (2012), PPP programs have been implemented in the country since 1996 without a specific policy, legal or regulatory framework guiding the implementation of PPP projects. To strengthen the regulatory environment for PPP programs, the GOK has made major strides in increasing private sector investment in the infrastructure development. In 2013 the PPP Act was enacted into law, this is a step towards the mobilization of funds for infrastructure and other development projects under PPP arrangement. The Act provides for county governments (CG) to approve and undertake PPP projects which do not pose contingent liabilities to the national or county governments. For those PPP programs that may generate liabilities, counties will seek clearance from national government (NG).

1.1.4 Infrastructure Development in Kenya

The infrastructure sector is markedly different from the other sectors in the following ways: Firstly, infrastructure services are usually considered important by consumers and are often provided by monopolists. Secondly, most infrastructure projects delivery require large sum of sunk costs that may take a number of years to fully recoup. Over such long periods, the investor is exposed to risk of non-honouring of agreements on tariff clauses in the PPP delivery engagements between the parties (Klein and Rogers, 1994). As soon as investors are committed to the projects delivery agreements and can only pull out by incurring huge losses, the public player may try to lower prices or refuse to raise prices as agreed. Because of the above characteristics of infrastructure projects delivery, private players are usually unwilling to make major investments without adequate, mostly complex contractual agreements (Edlin and Reichelstein, 1996).

The negotiation of PPP contracts is time consuming and costly. Additionally, enforceability of these contracts is critical but full compliance is difficult to achieve. In a concession type of PPP, the private party through a contractual license issued by the public party is granted the right to operate, maintain, rehabilitate or upgrade the infrastructure facility, for a fixed period of time and to charge a user fee while paying a concession fee to the public party. The public party may retain the ultimate ownership of the facility, rights to supply the services or both. Concessions period may range between five to fifty years (Iossa, Spagnolo, and Vellez, 2007; Mustafa, 2006).

For Kenya to achieve its desired vision of transforming its economy into a newly industrialized middle income country and providing a high quality of life to its citizens by the year 2030, investment in the infrastructure facilities must be prioritized. It is reported that the country needs about US\$ 62,176 million for infrastructure development; the resources available from government sources are at US\$ 25,000 million. This creates a funding gap of US\$ 37,176 million (Ministry of Finance (MoF), 2012). The government may not achieve the desired goals in infrastructure development by itself, without the involvement and participation of the private sector players, hence the need for public private partnership (PPP) programs.

1.1.5 Rift Valley Railways Kenya - RVR (K)

The Railway in East Africa began as Uganda Railways, dating back to as early as 1896 when the first rail line was laid down in Mombasa. In 1927 the name changed to Kenya-Uganda Railways, in the same year, the name changed again to Kenya-Uganda Railways and Harbours after combining the administrations of the harbours to the

railways. The rail system in Kenya and Uganda operated together until 1948 when the name changed to East African Railways and Harbours. Following independence and the subsequent signing of Arusha Declaration in 1966, to improve efficiency, the corporation was renamed East African Railways Corporation, in 1969. In 1977, the East African Community broke up; consequently the name changed to Kenya Railway, Uganda Railway and Tanzania Railway as independent corporations.

In 2006, the Rift Valley Railways took up the operations of Kenya and Uganda Railways. Rift Valley Railways was established in 2005 after the Government of Kenya and the Government of Uganda jointly tendered through a bidding process, a 25 year concession agreement for the rehabilitation, operation and maintenance of the railways. At the time of the signing of the concession agreement, the corporation was reported to be an insolvent rail utility with US\$280 million in outstanding debt, wagons and locomotives averaging 40 years in age, 4,000 to 5,000 unproductive employees, massive revenue leakages, rampant theft, and two government owners-creating political and regulatory complication (www.riftvalleyrail.com).

1.2 Research Problem

Strategy implementation is the process of transforming strategic intentions into strategic actions to achieve the desired results (Mintzberg 1994). According to Lehner (2004) the implementation phase of strategic planning is important for proper execution of strategies. It is vital that all team members understand and agree on the details of the strategic plan. Top management should remain focused on the plan and should only make significant changes to the plans after a thorough consideration on the implication and result of the change (Mintzberg 1994). According to Qiao, Wang,

Tiong, and Chan (2001), the following factors determine strategy implementation of PPP in infrastructure development and service delivery: appropriate project identification, stable political and economic environment, attractive financial package, acceptable toll rates, reasonable risk allocation, selection of suitable subcontractors, management control and technology transfer. Mohammed (2011) identified the factors determining PPP strategy implementation as: effective procurement, project implementability, effective financial markets, government guarantee, and favourable economic conditions. Mintzberg (1994) observed that challenges in strategy implementation occur when organizations concentrate on new strategy development while forgetting the main line of business fundamental to the previously formulated strategies. In December 2006 the Rift Valley Railways concession agreement reached financial closure after seven years of preparation. After closure, Rift Valley Railways has faced a number of challenges relating to the implementation of the PPP strategy.

A number of international researchers have carried out studies on public private partnership strategy implementation. Cheung (2009) researched on developing a best practice framework for implementing public private partnerships in Hong Kong. The findings of the study showed that organizations in Hong Kong were familiar with the PPP concept but were unsure of how the strategy would be implemented. Moreover, Jefferies (2006) researched on critical success factors of public private sector partnerships: a case study of the Sydney Superdome. The research concluded that the involvement of the private sector in the PPP strategy transferred risks from the public sector to the private sector; and that PPP strategy has become a global means of developing public services with private sector expertise and finances. Ismail (2013) researched on the critical success factors of public private partnerships

implementation in Malaysia. The result of the study showed that good governance, commitment of the public and private sectors, favourable legal framework, sound economic policy, and availability of finance markets were the critical success factors in the implementation of PPP strategy in Malaysia. The research on public private partnerships have therefore become of interest to many scholars. The studies have led to several books and journals being published on the public private partnership strategy.

Local researchers have also carried out studies on strategy implementation. Muchira (2012) studied the challenges of strategy implementation at the Ministry of Finance in Kenya. The study concluded that challenges of strategy implementation at the ministry revolved around organization structure, communication culture and resource mobilization. Mwawengo (2012) carried out a research on public private partnerships strategic implementation initiatives at the Municipal Council of Mombasa. The study concluded that the council use PPP strategy in the delivery of services to achieve its mandate to the public. Additionally, Chieng' (2013) studied the factors affecting strategy implementation in the public sector; the case of Kenyatta International Conference Center. The research concluded that the challenges of the implementation of strategy at the Kenyatta International Conference Center included weak organizational commitment, use of outdated information technology, inadequate employee training on the Vision 2030 strategy, and weak organizational cultural values.

However, no documented study has been carried out on strategy implementation of public private partnerships at Rift Valley Railways Kenya. Consequently, this study seeks to fill this gap by carrying out a study on the challenges of strategy implementation of public private partnerships in infrastructure development at Rift Valley Railways Kenya. It is against this backdrop that the study seeks to answer the question; what are the challenges of strategy implementation of public private partnerships at Rift Valley Railways Kenya?

1.3 Research Objective

The objective of the study was to establish the challenges of strategy implementation at Rift Valley Railways Kenya Limited.

1.4 Value of the Study

The results of the study were useful to researchers and academicians in the area of strategic management. The study makes contributions to the body of existing knowledge on strategy implementation on public private partnership programs in infrastructure development. Moreover, the study gives recommendations for further research in the area of strategy implementation.

The government benefit from the result of the study in the development of PPP policies and programs in the country. The understanding of the challenges of strategy implementation in public private partnership is important in the analysis of the effectiveness of PPP strategy in the delivery of infrastructure assets and services. Further, the study enables policy makers appreciate the role played by effective strategy implementation in the achievement of the goal and objectives of the Vision

2030 blue print. Other stakeholders also benefit from the results of the study in broadening the understanding of the PPP concept and strategy implementation in corporations.

The management of Rift Valley Railways Kenya gain useful lessons from the results of the study in strategy implementation of public private partnership programs. Additionally, the management also appreciate the contribution of strategy implementation on PPP programs to gain efficient and effective business operations in the long-term. The results of the study enable RVR (K) to become more aware of its future performance which eventually contributes to the corporation's bottom-line.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on strategy implementation from relevant researchers' work and published books and journals. It presents the theoretical foundation of the study, strategy implementation process, and a discussion on the factors determining PPP strategy implementation.

2.2 Theoretical Foundations of the Study

It has been observed that great strategies are worth nothing if they cannot be implemented (Okumus and Roper, 1999). Additionally, less than 50% of formulated strategies get implemented (Hambrick and Canella, 1989). Organizations often spend much resource in strategy formulation and forgetting actioning the strategies. Strategy implementation requires the same attention as formulation. In fact, strategy implementation is the most challenging and difficult stage in strategic management (David, 2011). According to Johnson (2004), 66% of corporate strategies are never implemented; Kaplan and Norton (2005) noted that 95% of staff do not realize their organization's strategies. Moreover, according to Mankins and Steele (2005), only 63% of financial objectives envisioned by company strategies are achieved. Consequently, it is noted that 70 to 90 percent of organizations fail to realize the success of implementing their strategies (Kaplan and Norton, 2005), and that strategies most often fail due to ineffective execution (Slater, Olson, and Hult, 2010).

2.2.1 The Resource Based View (RBV)

The resource based view (RBV), developed by Edith Penrose in 1959, and contends that a firm's internal resources and capabilities are the best source of competitive advantage over other firms. An approach to strategy with this view then seeks to find and develop distinctive competencies and resources, applying them to create superior value. To the extent that these competencies can be kept unique to the firm, they can be used to develop a competitive advantage (Barney, 2001). The RBV theory sees the firm as a collection of assets or capabilities. In organizations today, most of these assets and capabilities are intangible. The success of corporations is based on those of their capabilities that are distinctive. The distinctive capabilities are inimitable, durable, appropriable, not easily substituted, and hold competitive superiority to the firm (Barney, 2001).

The Resource base view is principally concerned with the sources and nature of strategic capabilities to a firm; it argues that performance is a result of firm-specific resources and capabilities (Barney, 1991). Additionally Barney (1991), notes that successful firms will find their future competitiveness on the development of distinctive and unique capabilities. Consequently, the essence of strategy should be defined by the firm's unique resources and capabilities (Barney, 1991). For Barney (1991) if all firms were equal in terms of resources there would be no profitability differences among them because any strategy could be implemented by any firm in the same industry. This theory is premised on the reasoning that sustainability of the effects of the competitive position rest mainly on the cost of resources and capabilities utilized in implementing the strategy pursued. However, the RBV theory is criticized for the omission of a comprehensive framework that show how various parts within

the organization interact with each other over time to create something new and unique (Nonaka and Takeuchi, 1995).

2.2.2 The McKinsey 7S' model

According to Buttery and Richter (2001), the McKinsey 7S' model links strategy with structure, systems, skills, shared values (culture), style (leadership), and staff (people); additionally, Viljoen and Dann (2000) observed that if sufficient attention is given to all the 7S' in the model in strategy implementation process, then it is likely that the strategy will be well supported and may succeed if communication and perception are adequately addressed. The basis of the McKinsey 7S' model is that all the seven elements are interlinked and there is need to consider how changes impact on and can be impacted upon by other elements of the framework. It is observed that the model is an important contribution to strategy implementation theory since it is flexible and can be used in several ways.

The 7S' model is based on the theory that for the organizations to perform well, the elements in the model- structure, systems, skills, shared values (culture), style (leadership), and staff (people) – should be aligned and mutually reinforcing. The 7S' model has been useful to organizations in the identification of the processes that need to be realigned in-order to improve performance. Additionally, the model can be used to understand how the organizational elements are interrelated to ensure that the impacts of changes in the organization are considered Buttery and Richter (2001). However, critiques observe that McKinsey 7S' model may be problematic if there are inconsistencies between the 7S' elements and that its simplistic nature makes it easily adaptable to competitors (Richard, 1994).

2.2.3 The Balanced Score Card (BSC)

Kaplan and Norton (2005) developed the balanced score card (BSC) not only as a performance measurement system that considers financial measures, but also customer, business processes, learning and growth measures, with a balance between internal and external measures, objective and subjective measures, and performance results and the drivers of future results. Moreover, the BSC goes beyond the traditional financial measure to include the customer perspective, the internal processes perspective and the learning and growth perspectives. The BSC model can be used to implement strategy by facilitating the following functions: clarifying strategy, communicating strategic objectives, planning, setting targets, and aligning strategic initiatives; and in strategic feedback and learning (Kaplan and Norton, 2005).

The nonfinancial measures in the BSC model are useful in predicting future financial performance. Moreover, most organizations operational and management control systems are developed around the financial measures and targets, which bear little relation to the organizations' progress in the achievement of long-term objectives. Managers using the BSC need not rely on short-term financial measures as the sole indicator of organizations performance (Kaplan and Norton, 2005). Kaplan and Norton (2005) describe the BSC process as follows: in translating the vision, managers seek to build a support for the organizations vision and strategy, integrating the set objectives and measures in the performance of individuals' in-order to achieve the long-term drivers of organizational success.

Kaplan and Norton (2005) also note that managers should communicate the strategy both up and down in the organization, linking strategy to departmental and individual objectives. Business planning perspective enables the organization to integrate the business and financial plans. This is important for the undertaking and coordinating those strategies that aim to achieve the long term objective of the organization. The feedback and learning perspective gives the company the capacity to monitor short-term results and critically evaluate strategy in light of recent performance; the BSC thus enable organizations to modify strategies to reflect real time learning.

2.3 Strategy Implementation Process

Strategy implementation is the process by which strategies and policies are put into action. The value of a tool lies in its effective usage; this is true to strategy as well. The organization's performance is determined by how effectively it can transform strategic plans into actions to create long-term competitive advantage for itself. Consequently, strategy implementation is important for the effective competition by the organization (Mintzberg 1994). A good strategic plan may fail because of its poor implementation process. Strategy implementation involves the interaction among the factors, the processes, and the desired outcomes (Okumus, 2003). Top management teams have discovered that formulating a strategic decision is a hard task; the execution of the strategy proves to be even harder (Hrebiniak and Joyce, 1984). Moreover, Okumus (2003) states that the strategy implementation task is often the most complicated and time consuming part in strategic planning, frequently requiring a focus in creating strategic change.

Strategy implementation can be viewed as a process involving various forms of organizational learning; since both environmental threats and strategic responses form basis for organizational learning processes (Lehner, 2004). Additionally, factors influential to the success of strategy implementation range from the people who communicate the strategy, the mechanisms in place for coordination, and the processes for control (Singh, 1998). Additionally, strategy implementation must focus on every person in the organization. In most organizations, strategy is expressed as a high level statement resonating with the board and top level management. Clear communication on the strategic choices at all levels of the organization ensures that people are involved in the achievement of the goals and objectives (Lehner, 2004). Moreover, cascading the strategy throughout the organization to all functional areas allows the teams to develop and process implementation plans with a likelihood of execution (Lehner, 2004). Moreover, strategy is the framework which guides those choices that determine the nature and direction of an organization, thus effective implementation of strategy can be a source of competitive advantage (Porter, 1980).

2.4 Factors Affecting PPP Strategy Implementation

In the investigation of the challenges of strategy implementation of PPP in infrastructure development, some of the factors impacting PPP strategy implementation need to be discussed. These factors have been cited in a number of books on PPP with few alterations (Hodge, Greve, and Boardman, 2010; Robinson, Carrillo, Anumba, and Patel, 2010). First is the appropriate risk allocation. According to the European Investment Bank (2005), PPP is a risk sharing strategy used by the public sector in the provision of infrastructure services that would not be possible in reasonable time within the available public sector budget. In a PPP agreement both

parties not only take on the benefit of success, they also take on the risk of failure. Additionally, Zhang (2005) notes that PPP involve risks that may emerge at different stages in the life cycle of a project. The risks, however, require appropriate allocation and management. PPP strategy allows for the transfer of the project risk to the private partner player thus reducing the costs to the taxpayer.

Secondly, Wiehen (2000) notes that competitive procurement process involves transparency throughout the procedure. This can be achieved by making available the institutions, processes, and decisions to the general public; thereby promoting monitoring, reviewing, and commenting upon by the stakeholders. Furthermore, competition by the private sector during procurement increases the value for money to the public sector (Hemming, 2006). Good governance and the use of a well-organized agency for procurement processes are important in enhancing the effectiveness of procurement to strategy implementation. Contract management, process clarity and speed are critical elements to enhance the interaction among PPP strategy stakeholders (Hodge et al. 2010). Zhang (2005), advocates that PPP project procurement should be based on a win-win principle.

Thirdly is technical innovation. The public sector use PPP strategy to utilize the private sector technology and innovation in delivery of infrastructure projects to gain improved operational efficiency. By partnering with the private sector, the public sector benefit from years of expertise, and innovative solution in the delivery of services. The innovative systems employed by private partner results into significant time and cost savings for both the users and the government as well. The use of PPP strategy allows the private sector to work together with government agencies help

spur innovative ideas. Traditionally all the risks associated with the design, construction, financing, operation and maintenance of an infrastructure project is borne by the public sector partner, especially in the developing countries were the government funds 100% of a project.

Fourth is Government involvement in a PPP program. This is important at all levels of implementation of PPP strategy. Inefficient organization can lead to increased cost to the project while a lack of transparency in the government processes can increase uncertainty to the private sector or multiply the costs, delay or halt projects. Moreover, Hemming (2006), notes that political commitment is important for successful governance reducing the long-term political risk for the private sector, and provides strategic focus for the public sector to increase its expertise in the cost-benefit evaluation of a project. Additionally, Stable macro-economic environment encourage economic growth by ensuring stability through sound monetary and fiscal policies favourable to new projects and give confidence on positive results (Hemming, 2006). This factor includes such elements as: sound economic policy, favourable inflation, foreign exchange, and interest rates. The government should also provide dependable institutions, legislative framework, and enforcement to impact strategy implementation.

Finally, a consortium bid involve two or more private partners joining together to bid on a potential investment project. The increased incidence of consortium bidding can be attributed to: the need to diversify and share risks, ability to raise equity, benefitting from expertise, and cost effectiveness. A concessionaire with a strong private consortium and adequate financial capability may provide realistic cost

assessment of the infrastructure project. Additionally, effective PPP strategy thrives on various expertises contributed by the public sector and the private sector consortium. The common objectives of the stakeholders create synergies for strong project implementation (Hemming, 2006).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods and procedures that were used in the study. It discusses the research design, data collection, and data analysis proposed for the study, and the reasons they are preferred for this study.

3.2 Research Design

A case study design was used in the study. A case study will allow the detailing of in-depth analysis of challenges of strategy implementation at RVR (K). Additionally, a case study provided a holistic understanding of the factors under investigation. Burns and Grove (2003) define research design as a blue print for conducting a study with maximum control over factors that may interfere with the validity of the findings. Parahoo (1997) describes research design as a plan that describes how, when and where data was collected and analyzed. While Dooley (2007) describes research design as the scheme, outline or plan used to generate answers to research problems.

3.3 Data Collection

Primary data was collected using interview guide. The interview guide consisted of open-ended questions covering issues on challenges of strategy implementation of public private partnerships programs. Weber (1990) notes that interview guide enable a researcher to gather as much information as possible about a phenomenon. According to Cooper and Schindler (2006), open-ended questions in an interview guide allow respondents to give detailed insights on the topic without holding back.

A total of five respondents were used for the study. The respondents experienced top level managers at RVR (K) including: chief financial officer, chief operations officer, chief commercial and marketing officer, chief legal officer, and chief human resource officer. The respondents have been selected because of their in-depth knowledge on strategy implementation on PPP at RVR (K). Qualitative data was collected through in-depth interviews with the individual managers at RVR (K). The interview guide was orally administered in a face-to-face meeting with the respondents. To meet the objective of the study, the researcher used secondary data such as Rift Valley Railways Kenya strategic plan, the concession agreement commentaries, and previous studies on strategy implementation done by other researchers.

3.4 Data Analysis

The study used content analysis technique in data analysis. The main purpose of content analysis was to study the existing information in order to determine factors that explain a specific phenomenon (Mugenda and Mugenda, 2003). Weber (1990) describes content analysis as a systematic, replicable technique for compressing many words of text into fewer content categories based on clear rules of coding. Content analysis technique enabled the researcher to analyze large volumes of data with ease in a systematic fashion. Additionally, content analysis technique enables the analysis of open ended-questions because of its flexibility, objectivity and systematic description of the content of communication Weber (1990). Moreover, content analysis technique enables the researcher to learn and understand the challenges of strategy implantation at RVR (K).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter focuses on data analysis, results and discussion of the data collected. The objective of the study was to establish the challenges of strategy implementation at Rift Valley Railways Kenya Limited. The study targeted five senior managers at Rift Valley Railways Kenya Limited of which four responses were obtained.

4.2 Background Information

The research sought to find out the background information about the respondents who participated in the study. This included information such as a respondent's designation, highest level of education, overall work experience in years, and work experience with RVR (K) at the current position. The results show that majority (80%) of the respondents holds a post-graduate degree, and have gained over ten years of work experience. Additionally, two out of the four respondents reported that they have held their current positions for less than three years, while the other two respondents indicated that they have held their current positions at RVR (K) for over three years.

4.3 Challenges of strategy implementation of Public Private Partnerships (PPP) at RVR (K)

In this section, the study sought to find out the challenges of strategy implementation at RVR (K). The respondents' feedback have been analyzed and presented in the sections that follow.

4.3.1 Concession agreement

In this section, the study sought to find out the description of concession agreement at RVR (K). All the respondents described concession as involving government giving out assets to private investors with the objective of offering better services to the public. Moreover, all the respondents reported that the concession agreement provides that RVR offer freight services for twenty five years, and passenger services in Kenya for five years.

In a concession agreement, the private party through a contractual license issued by the public party is granted the right to operate, maintain, rehabilitate or upgrade the infrastructure facility, for a fixed period of time and to charge a user fee while paying a concession fee to the public party. The public party may retain the ultimate ownership of the facility and/or rights to supply the services. Concessions period usually range between five to fifty years (Iossa, Spagnolo, and Vellez, 2007).

4.3.2 Realignment of company resources with the PPP strategy

In this section, the study sought to find out the realignment of company resources to the public private partnership strategy at RVR (K). Majority (80%) of those interviewed reported that company had re aligned resources adequately to the PPP strategy implementation. The resources were sighted by the respondents as including staff, infrastructure assets and Land. One respondent, representing 20% of the responses indicated that land, as a resource had presented unique challenges to the implementation of the strategy since the government was reclaiming some of the unutilized land. This was not anticipated by the concession agreement.

4.3.3 Challenges of strategy implementation

In this section, the study sought to find out the challenges of implementing the public private partnership strategy at RVR (K). All the respondents reported that at the initial stages of the contract, the PPP strategy in the concession agreement was not followed by the partners. Sheltam Rail Limited emerged as the winning bidder with a majority shareholding of 61 per cent; the other parties included Comazar, CDIO, Mirambo Holdings and Prime Fuels Ltd. It is reported that Mirambo Holdings and Prime Fuels accused Sheltam Rail limited of breach of contract and failure to honor the concession agreement. Moreover, all the respondents reported that the government regulator appeared reluctant to issue the certifications and phase approvals as required by the agreement to enable strategy implementation. Majority of the respondents (60%) reported that the company also faces institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity. The reconstruction of damaged railway lines and missing targets and agreed performance benchmarks were also cited as posing challenges to the strategy implementation. The unutilized land being reclaimed by the government was also sighted as a challenge to the PPP strategy implementation by majority (80%) of the respondents. Additionally, it was reported that there has been substantial loss of railway operational land to private developers, increased encroachment on railway land reserves meant for future expansion of the railways infrastructure.

4.3.4 The level of organization of the public and private sector partners

In this section, the study sought to find out the level of organization of the private sector partners to the PPP strategy implementation at RVR (K). The majority (100%) of the respondents reported that the private sector partners were not well organized at

the initial stages of the implementation of the PPP strategy. However, the current partners to the concession agreement, Qalaa Holdings and Bomi Holdings Limited are well organized and supportive of the implementation of the strategy.

The study also sought to find out the level of organization of the public sector partner to the PPP strategy implementation at RVR (K). It was reported that the government is well organized and supportive of the implementation of the PPP strategy at RVR (K). One of the respondents reported that the Government of Kenya through the Cabinet Secretary for transport and infrastructure development recently initiated a meeting with all the partners involved in the implantation of the PPP strategy; and emphasized the commitment of the government to the success of the PPP strategy in the concession agreement.

4.3.5 Risk allocation in PPP strategy

In this section, the study sought to find out if the PPP strategy considered appropriate risk allocation between the partners to the concession agreement. All the respondents interviewed reported that the concession agreement considered appropriate risk allocation. Additionally, respondents reported that stakeholder risks, project risk and overall implementation risk were adequately distributed among partners. Moreover, one of the respondents reported that after the 2007/2008 post-election violence in Kenya, a section of the rail line was uprooted by the protesting persons. The company invoked the political risk event as provided for in the concession agreement to cushion against losses. The Government of Kenya, through an insurance agency compensated the company for the damages and losses incurred as a result of the political protests in the country.

4.3.6 Effective communication between partners in PPP strategy

In this section, the study sought to find out the contribution of effective communication among partners in the PPP strategy implementation at RVR (K). All the respondents reported that for the purposes of managing the communication among partners, RVR (K) hold quarterly meetings during the concession operations committee. The discussions during the quarterly concession operation committee meetings include progress reports, performance monitoring and state of the strategy implementation. The majority of the respondents (80%) described the communication among parties to the PPP strategy as effective since emerging issues in the implementation of the PPP strategy were effectively and adequately addressed especially during the concession operations committee meetings.

4.3.7 The role of competitive procurement processes in PPP strategy

In this section, the study sought to find out the role of competitive procurement processes in a PPP strategy implementation at RVR (K). The majority (80%) of the respondents reported that the concession agreement considered stringent due diligence measures during procurement including the use of post-qualification criteria, independent review by a procurement specialist qualified in large works contracts and close supervision of the processes. It was also noted that the procurement process has enhanced transparency and accountability thereby increasing competition and competitive pricing by bidders.

4.3.8 Stable macro-economic environment in PPP strategy implementation

In this section, the study sought to find out the importance of stable macro-economic environment to the implementation of the public private partnership strategy at RVR (K). The respondents reported that the government sometimes announced major policy directions before consulting the stakeholders, the action of the government in such instances affected strategy implementation. Additionally, the high and volatile prices of oil increased operational costs for the company negatively affecting the PPP strategy implementation. The respondents also reported that the planned development of a parallel railway line, the standard gauge railway, with greater loads and faster speeds was a welcome move. However, the development would most likely result in increased competition to the company that may affect the concession strategy implementation.

Additionally, 60 per cent of the respondents reported that the fuel levy set at 1.5 per cent will effectively subsidize the operations of the company's competitors, since the money goes into the road development fund thereby affecting the PPP strategy implementation. Additionally, 80 per cent of the respondents reported that the global recession reduced the availability of financial means of the private sector to fund large infrastructure projects. The global recession resulted in declining levels of inward investment to developing economies and slowdown in exports to developed economies; reduced remittance and foreign aid flows led to reduced financial flows and increased risk aversion tendencies among investors. Consequently, the company experienced increased margins on project loans and weakened domestic currency thus increasing the cost of foreign exchange finance.

4.3.9 The role of a strong private consortium in PPP strategy implementation

In this section, the study sought to find out the role of a strong private consortium to the public private partnership strategy at RVR (K). The respondents (40%) reported that at the initial stages of the concession agreement, the private consortium were not very strong. It was reported that concerns were raised about Sheltam's lack of experience of running a complex railway network and that it may have lacked the capacity to increase cash flows sufficient enough to meet the investment targets. The respondents reported that Citadel capital had the infrastructure experience required for the successful implementation of the strategy, and that Citadel capital had a strong financial base which was useful for the railway rehabilitation. The current partners, Qalaa Holdings and Bomi Holdings limited had strong financial bases. Thus the company was reported, by 80 per cent of the respondents, as having considered strong private consortium in the PPP strategy implementation.

4.3.10 The complexity of the project in PPP strategy implementation

In this section, the study sought to find out how the complexity of the project impacted the public private partnership strategy implementation at RVR (K). All respondents reported that the Kenya-Uganda railway infrastructure project was a complex railway privatization agreement. The respondents cited the complex nature of the financing structures of the loans advanced to the company for the implementation of the PPP strategy, and the fact that the concession agreement involved two governments, the Government of Kenya and that of Uganda, their respective national railways and more than one international financing institution. Moreover, the majority (80%) of the respondents also reported that the unmet targets in freight volumes and the rehabilitation of the railway line, and locomotives compounded the complexity of the project implementation.

4.3.11 Government involvement in PPP strategy

In this section, the study sought to find out the involvement of the government to the public private partnership strategy implementation at RVR (K). It was reported that during the signing of the concession agreement, the government negotiated for the volumes and investment targets and the payment of concession fees by the concessionaire. Moreover, 60 per cent of the respondents reported that the governments established the Joint Railway Commission to offer cross border legal and regulatory harmonization and oversight to the concession agreement. The majority (80%) of the respondents also indicated that the government, through the Kenya Railway Corporations regulates the railway transportation sub-sector through coordinating and harmonizing the activities of the players in the rail transport in the country.

Overall, it was cited that Kenya Railway Corporations oversees the concession agreement on behalf of the Government of Kenya. The other area of noted government involvement, by 60 per cent of the respondents, was in matters relating to environmental management. To achieve the required environmental standards as provided for in the concession agreement, RVR (K) is cooperating with the National Environment Management Authority in respect to the general supervision and coordination over all matters related to the environment. National Environment Management Authority thus acts as the principal Government of Kenya agency in the implementation and monitoring of policies relating to the environment.

4.3.12 Technical innovation in PPP strategy implementation

In this section, the study sought to find out the impact of technical innovation to the public private partnership strategy implementation at RVR (K). The company was reported, by 80 per cent of the respondents, to have plans to hire skilled manpower, adopt modern technology, and upgrade fleets and railway tracks in order to improve operational efficiency. Additionally, the trans-logic integrated logistics management platform that provides a detailed manifest of the position and contents of all cargo carrying wagons was cited by 60 per cent of the respondents as a technical innovation by the company. Majority (60%) of the respondents cited that the global positioning system that centrally controls the movement of trains and cargo along the railway track had replaced the manual management of crossovers at railway stations with satellite enabled self-switching movement of trains. Moreover, the technological innovation allowed the company to minimize the waiting time at train stations by allocating priority track access to cargo trains and handling larger fleets.

The majority (80%) of the respondents also cited the automated train warrant that allows the precise, online visualization and location of a train on the railway from an operations control center as an important technological innovation that has reduced operational costs to the company. Additionally, the telecommunication and signaling systems used for train operations were reported to have been automated. The company has installed microprocessors and on board computers for communication with the control center. The innovation installed in all locomotives allows remote speed control features and offer a mechanism to feedback data on the conditions of engines and trucks. Moreover, the rehabilitation of tracks, locomotives and wagons has not only enabled the company to improve reliability and speed up the delivery of cargo by rail but also improved safety.

4.3.13 Local participation in PPP strategy implementation

In this section, the study sought to find out the level of local participation in the public private partnership strategy implementation at RVR (K). One respondent reported that the company's top management was restructured to raise the level of local participation at the initial years of the PPP strategy implementation. It has been observed that the current partners in the company do not include a local company.

4.3.14 Suggestions and lessons learnt in the PPP strategy implementation

In this section, the study sought to review the suggestions and lessons learnt in implementation of the public private partnership strategy at RVR (K). The respondents suggested that the negotiation of future PPP infrastructure projects should involve a higher level due diligence on the scope of work, required investment estimates, and required technical and managerial skills to enhance the turnaround time between the strategy formulation and the strategy implementation. Additionally, effective mechanisms for the monitoring and evaluation of the PPP strategy including improved dispute resolution mechanisms among the parties involved in the implementation of the strategy to be considered in future concession agreements.

4.4 Discussion of Findings

4.4.1 Link to theory

Since the mid 1980's resource based view (RBV) has emerged as one of the dominant theories of strategic management (Barney, 1986). The increased attention to firms' resources by strategy scholars and managers has seemed to be beneficial in helping clarify the potential contribution of resources not only to competitive advantage but also to strategy implementation. The RBV theory suggests that the resources

possessed by a firm are the primary determinants of its performance and that the concept of resources includes all assets, capabilities, organizational processes, firm attributes, information, and knowledge controlled by a firm that enable a firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, 1991). The study found out that the challenges of strategy implementation of public private partnership at Rift Valley Railways (K) included institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity.

4.4.2 Link to other studies

Mintzberg (1994) observed that challenges in strategy implementation occur when organizations concentrate on new strategy development while forgetting the main line of business fundamental to the previously formulated strategies. Muchira (2012) studied the challenges of strategy implementation at the Ministry of Finance in Kenya. The study concluded that challenges of strategy implementation at the ministry revolved around organization structure, communication culture and resource mobilization. Additionally, Mwawengo (2012) carried out a research on public private partnerships strategic implementation initiatives at the Municipal Council of Mombasa. The study concluded that the council use PPP strategy in the delivery of services to achieve its mandate to the public. Moreover, Chieng' (2013) studied the factors affecting strategy implementation in the public sector; the case of Kenyatta International Conference Center.

The research concluded that the challenges of the implementation of strategy at the Kenyatta International Conference Center included weak organizational commitment, use of outdated information technology, inadequate employee training on the Vision 2030 strategy, and weak organizational cultural values. The results of this study show that the challenges of strategy implementation of PPP in infrastructure development at RVR (K) were institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, conclusions drawn from the findings and recommendations made there-of. The conclusions and recommendations are based on the objectives of the study which is to establish the challenges of strategy implementation at Rift Valley Railways Kenya Limited. Additionally, the chapter covers the limitations of the study and suggestions for further research.

5.2 Summary of Findings

Rift Valley Railways (Kenya) actively provides passenger services and urban commuter services in Nairobi city, the demands for the rail services is growing and expanding. The company has initiated major investments in the railway infrastructure to modernize it and create competitive edge against road transport. Additionally, the lack of an effective railways system has put a lot of pressure on the road transport sector, raising the cost of doing business, and is a major barrier to attracting foreign investment. In economic, social and financial terms, the long-term outlook for the company seems bright. However, it is the responsibility of the shareholders, lenders, and governments to ensure that the opportunities and benefits accruing from the public private partnership strategy in the concession agreement are fully exploited and real gains realized. The study revealed that the challenges of strategy implementation of PPP in infrastructure development at RVR (K) were institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity.

5.3 Conclusion

The objective of the study was to establish the challenges of strategy implementation at Rift Valley Railways Kenya Limited. In order to achieve the objective of the study, interview guide was administered to the respondents, the primary data collected was then analyzed by content analysis and the study concluded that the challenges of strategy implementation of PPP in infrastructure development at RVR (K) were institutional challenges, insufficient staff capacities and complex institutional oversight and regulatory capacity.

5.4 Recommendations of the Study

Based on the findings of the study, the following recommendations are made; first, the company should aggressively invest in integrated logistics and operations solution to enhance the railway management system to offer real time information on a multiple dimension of the railway line and rolling stock. Secondly, there is a need to spread the operations of the company to all parts of the country in order to achieve the desired quality of life and ensure regional development. Finally, the company should invest in continuous staff development programs to enhance the existing staff capacities to deliver on the objective of the strategic direction of the company.

5.5 Limitations of the Study

The researcher encountered a number of challenges during the investigation period. The research design being a case study as such, data collected may not have had equal representation of all the companies in the infrastructure industry in Kenya. A case study gives an opportunity for detailed and in-depth analysis of the subject; however,

it limits the units of the study to a single entity thereby limiting the generalization of the results of the research on the challenges of PPP strategy implementation. Furthermore, the respondents were senior company managers who had busy schedules and were not always available to give information and insight to the challenges of strategy implementation at RVR (K). The study however, constructed an effective research instrument that sought to gather general and specific information on the challenges of strategy implementation at RVR (K).

The study faced both time and financial limitations. The time duration for which the study was to be conducted was short, hence extensive and comprehensive research could not be carried out on the challenges of PPP strategy implementation for infrastructure development at RVR (K). Due to limited time, the study could not collect information through observation over a period of time to assess the challenges of strategy implementation at RVR (K). Additionally, financial constraints meant that the researcher lacked adequate funding for conducting the research. The study however minimized these challenges by conducting the interviews at RVR (K) headquarters with senior company managers who had substantive experience about Public Private Partnership strategy implementation.

5.6 Suggestions for Further Research

The study has investigated the challenges of strategy implementation of Public Private Partnership in infrastructure development at Rift Valley Railways Kenya Limited. The study therefore recommends that further research should be carried out on the challenges of strategy implementation for other firms in Kenya to allow for generalization of the challenges of PPP strategy implementation in infrastructure

development. The study further recommends that another research be carried out on the challenges of the formulation of PPP strategy by firms in Kenya. This is useful in helping organizations set up effective PPP programs for the delivery of infrastructure projects in Kenya.

5.7 Implication of the Study for Policy and Practice

The implication of the results of the study for policy and practice are that the company should improve on the efficiency and effectiveness in its service delivery to the customers. In view of the adoption of the standard gauge railway system, the company should continue making significant investments and develop a compelling customer proposition before the competition expected from the new development. The rail transport mode is known to be the most cost effective mode of transport for bulk freight over long and short distances; it is also considered environmentally friendly. Additionally, the implementation of strategies and the operational performance of the company are affected by the poor infrastructure and lack of proper integration of the rail transport services with the other modes of transport.

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APPENDICES

Appendix I: Cover Letter

P.O Box 13117- 00100,
Nairobi, Kenya.
jamesonditi@gmail.com

Chief Executive Officer,
Rift Valley Railways Kenya Ltd,
P. O. Box 62502-00200,
Nairobi, Kenya.

August 22, 2014.

Dear Sir,

**RE: REQUEST FOR MBA PROJECT RESEARCH DATA COLLECTION AT
RIFT VALLEY RAILWAYS KENYA LTD.**

My names are James Ombogo Onditi, Masters of Business Administration (Strategic Management option) student at the University of Nairobi. As part of the MBA course assessment, students are required to prepare and present a research project paper on a practical managerial issue in the country. Consequently, the University approved the proposal for research project on: Challenges of strategy implementation of public private partnerships (PPP) in infrastructure development at RVR (K) Ltd.

This is therefore to request your permission to administer an interview guide to the following company's senior management: chief financial officer, chief operations officer, chief commercial and marketing officer, chief legal officer, and chief human resource officer. The interview guide consists of open-ended questions covering issues on challenges of strategy implementation of PPP for infrastructure development.

Please find enclosed University of Nairobi data collection introduction letter and the interview guide-with the full list of questions-for your review. I would appreciate the opportunity to administer the interview guide on or before 1st September, 2014. Thank you for your time and consideration.

Yours Faithfully,

MR. JAMES OMBOGO ONDITI

Appendix II: Interview Guide

Introduction:

This study aims to explore challenges of strategy implementation of Public Private Partnerships (PPP) in infrastructure development at Rift Valley Railways Kenya. Your responses are accepted in strict confidence and shall only be used for the purposes of the study. The result of the study may be availed to your organization on request.

PART A: BACKGROUND INFORMATION

1. What is your designation in the company?
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2. What is your highest level of education?
.....
3. What is your work experience in years?
.....
4. How many years have you worked with the company in your current position?
.....

PART B: PUBLIC PRIVATE PARTNERSHIP STRATEGY IMPLEMENTATION

5. How would you describe concession in the context of the Kenya-Uganda Rail agreement?
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.....
6. How would you describe the realignment of company resources with the public private partnership strategy?
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.....
7. What challenges have your organization faced in the strategy implementation of the concession agreement?
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8. How would you describe the level of organization of the private sector partner(s) to the Kenya-Uganda Rail Concession agreement?

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9. How would you describe the level of organization of the public sector partner to the Kenya-Uganda Rail Concession agreement?

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10. Did the concession agreement consider appropriate risk allocation between the partners?

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11. Describe the effectiveness of communication with the private party in the concession arrangement with your organization.

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12. Describe whether the concession program involved competitive procurement process?

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13. Describe the importance of a stable macro- economic environment to the strategy implementation of the concession agreement?

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14. Describe whether the concession program considered a strong private consortium?

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15. How would you describe the complexity of the project under the concession agreement?

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16. Describe the government involvement in strategy implementation of the concession agreement?

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17. In what ways in the strategy implementation of the concession agreement would you consider as having achieved technical innovation?

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18. How would you describe the level of local participation in the strategy implementation of the concession agreement?

.....
.....

19. Kindly share any other comment, suggestion or lessons learnt in the implementation of concession agreement.

.....
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THANK YOU.