STRATEGIC MANAGEMENT PRACTICES AT TRIAD ARCHITECTS LTD

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DECLARATION

This research project is my original work and has not been presented to any university or institution of learning for the award of any diploma or degree.

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D61/60730/2013

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

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DEDICATION

To my beloved late wife
Dr. Joyce Jumwa Kitsao

To my lovely children
Alexis, Samora, Jaycy, Alexander and Joseph

To my dear Mummy and Daddy

To my siblings
Symph, Sylvia, Charlie, Josephine and the Late Joseph

To my mentor
Uncle Hilary Ng’weno
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ABSTRACT

The construction industry is one of the major contributors to the country economy. Just like any other industry, the firms in this sector are faced with an ever-changing external environment. To survive the turbulent environment, the organisation must continually review the strategic practices to remain competitive. This research project, therefore, sought to establish the strategic management practices in the construction industry with specific reference to Triad Architects Ltd.

The study adopted a case study research design where data was collected through personal interviews and data analysed through thematic and comparative analysis.

The study found out that Triad Architects Ltd is involved in strategic planning as evidenced by presence of a mission and vision statement. The main strategic orientations include offering superior products through innovation while reaching customers within a wide geographic reach. Cost leadership is not a strategy adopted by Triad.

In conclusion organisations must adopt strategic planning practices to remain competitive in an ever changing environment.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management can be defined as the process by which the management of a company identifies the purpose of the organization as well as the plans and actions to achieve that purpose. It consists of the analysis, decisions, and actions that an organization undertakes in order to create a sustainable competitive advantage. The field of strategic management deals with major intended and emergent initiatives taken by the top management on behalf of the owners and other stakeholders and this involves utilization of resources, to enhance performance of organizations in their external environments and thereby add value to the organization (Richard, 2012). Mintzberg (1987) suggested that strategy is a plan, ploy, pattern, position and perspective. Strategy has also been defined as the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, Scholes & Whittington, 2008).

Organizations are open systems. They are environment dependent and environment serving. Organizations depend on the environment for their inputs, which they process to get outputs that depend on the same environment for purchase or consumption. It is, therefore, critical for the organization to scan both the external and internal environment so as to formulate a strategy that will give the organization sustainable competitive advantage to enable it have superior performance. The environment is ever changing. The environment is also very dynamic and turbulent and hence the organization must adjust its strategy to adapt to the changes in the environment.
The term construction enterprise is adopted from Betts and Ofori (1999) and refers to any business entity involved in any aspect of the construction process within the architectural engineering, and construction sectors including general contracting firms, specialist contractors, architectural or engineering design partnerships, cost consultancy practices, and development companies. Construction enterprises are suitable research subjects because the nature of their business environment is complex and constantly changing.

1.1.1 The Concept of Strategy

Since the 1980s, the field of strategic management has advanced dramatically in both the theoretical domain and empirical research. It is now considered an important field not only in business, but also in other disciplines. Strategic management is a process that deals with the entrepreneurial work of the organisation, with organisational renewal and growth, and more particularly, with developing and utilising strategy, with the aims of guiding the organisation’s operations.

According to Nag, Hambrick and Chen (2007), the field of strategic management deals with the major intended and emergent initiatives, taken by general managers on behalf of owners, involving utilisation of resources to enhance the performance of the firms in their external environments. The definition refers to relatively deliberate, planned and emergent initiatives that occur in a firm, it reflects the key actors within the firm such as managers, directors, and owners and usage of the resources and its link to the firm’s environment.
1980 was a determining year in the evolution of strategic management because it marked the publication of Porter’s book of “Competitive Strategy” (1980), as well as the initiation of the Strategic Management Society. Hofer and Schendel’s (1978) published “Strategy Formulation” which became the first textbook in the field of strategic management. Alfred Chandler’s “Strategy and Structure” (1962) and Igor Ansoff’s “Corporate Strategy” (1965) was pioneering work on ‘strategy’. Rumelt, Schendel and Teece (1994) note that the field of strategic management deals with the question of how to achieve and sustain competitive advantage.

1.1.2. Strategic Management Practices

Strategic management practices involve the formulation and implementation of strategy to achieve corporate success. The focus is usually on the formulation (strategic planning) phase of this process. Several aspects of strategic planning including existence of written mission statements, presence of strategic plans, planning horizons, financial orientation in planning (mix of plans), conduct of management training, presence and use of goals, formality in planning, planning history, flexibility of plans and collection of external data are some of the major themes in strategic management practices in firms.

Strategy can be either formal and documented or informal. Formality of strategy depends on the size of the organization, the scope of operations, the complexity and turbulence of the environment. Formality of strategy refers to the degree to which members, responsibilities, power, and discretion in decision-making are specified (Pearce and Robinson, 2011).
In a study investigating strategic management practices within large, private manufacturing companies in Kenya, the findings revealed that large manufacturing companies had adopted strategic management. However, there were variations in the practices. Foreign companies were more involved and committed to strategic management than locally incorporated ones. The local companies (especially family-owned ones) exhibited heavy financial orientation in their plans (Aosa, 2011).

1.1.3 The Construction Industry in Kenya

The construction industry is one of the key contributors to most economies. The importance of the construction industry to the economy can be measured by its contribution to the gross domestic product (GDP); its contribution to investment; and the volume of labour employed. Internationally, the construction industry contribution to GDP ranges from 3% to 10%; typically lower in developing countries and higher in developed countries (World Bank, 2009).

The construction industry in Kenya is a major economic driver. The construction industry sector grew by 5.5% in 2013, from 4.8% in 2012. This growth was due to increased spending by the government on infrastructure development and more private sector construction activities. For example, the value of building plans approved in counties outside Nairobi in 2012 was KES 46.0 billion and grew by 14.10% to KES 52.5 billion in 2013. The value of development plans approved in Nairobi County grew by 41.08% from KES 135.1 billion in 2012 to KShs 190.6 billion in 2013. The private sector, again, is a major source of employment where in 2013 it employed 112,000 people compared to 98,700 in 2012, this was a 13.5% increase. In the public sector, 18,300 jobs were created compared to 17,400 in 2012.
The commercial banking sector advanced loans to the sector to the tune of KES 69 183 million in 2012, which increased by 2.3% to KES 70 770 million in 2013 (Kenya National Bureau of Statistics, 2014).

It has been pointed out that strategic management is very useful to organizations during turbulent times (Ansoff, 1987). Where the external environment is changing rapidly, managers have to constantly re-examine and change their product/market scope if organizations have to remain successful. In a study conducted by Musyimi, (2010) on market penetration among architectural firms in Kenya, found that firms adopt different competitive strategies including market penetration (3%), product development (6%), market development (3%), diversification (28%), cost leadership (0%), differentiation (31%) and a focus strategy (28%). Legislation had an effect on competitive strategy adopted since it laid the minimum professional fees, therefore cost leadership was not among the adopted strategies.

1.1.4 Triad Architects Ltd

Triad Architects Ltd was incorporated in 1963 by Royal Institute of British Architects (RIBA) Bronze medalist, Amyas Connell and the Professional Centre founder, Graham McCullough. Triad Architects has been at the forefront of the architectural profession in Kenya and the East Africa region since then. The firm’s design experience is wide ranging as would be expected of a practice that has designed well over a thousand projects since its inception.
The practice is run by a board of directors, with a technical support staff of over twenty professionals, based in their offices in Kenya, Uganda, Rwanda and Sudan. The directors provide hands-on direction to all the projects in the office, to ensure the highest quality of design and management. In addition to the traditional architectural services, Triad Architects Ltd specializes in interior design with fully qualified interior designers, and project management (Triad Architects, 2014).

The firm has interests in the commercial, hotel, industrial, institutional, interior, medical, residential, and refurbishment service sectors. Notable footprints in the design and construction industry in Kenya include: Barclays Plaza, Bishops Gardens Towers, Credit Finance Corporation, Coca Cola Headquarters, Corner House, Communications Commission of Kenya, Nairobi Business Park, National Industrial Credit Bank (NIC), Professor Nelson Awori Centre, Times Tower, Diani Reef Hotel, Muthaiga Country Club, Thomas De La Rue, Haco Industries, Chloride Exide, NAS Foods, Beiersdorf East Africa Ltd, Clinical Officers School Enrolled Community Nursing School, Isiolo District Hospital, Integrated Rural Family Planning Clinics, Nairobi Hospital - South Wing, Presbyterian Church of East Africa (PCEA) Hospital among many other major projects.

1.2 Research Problem

Kenya Vision 2030 is the country’s development blue print covering the period 2008 to 2030. It aims to transform Kenya into a newly industrialized ‘middle-income country’ by providing high quality life to all citizens by the year 2030. The Vision is based on three pillars: the economic, social and political pillars. The economic pillar aims to achieve a gross domestic product (GDP) of 10% beginning 2012 (Government
of Kenya, 2007). The activities in the construction sector remain one of the key indicators of measuring the performance in the economic sector and GDP growth.

Both the external and internal environment within which architectural firms practice has a significant impact in the way they carry out their activities. In order to enhance their competitive advantage and maintain high levels of performance, architectural firms must on a consistent basis study the ever-changing scenarios at both the macro and microenvironment level. They can adapt to the environment by streamlining the operations of their practices to respond to such occurrences if at all they are to remain relevant, competitive and successful.

Architectural firms will play a critical role in the successful implementation of the country’s Vision 2030 policy and particularly the performance on the crucial economic pillar. The existing strategic management practices within these firms must be synchronized so that they are in harmony with the implementation of the Vision 2030. Furthermore, there are the huge infrastructural projects to be implemented in line with Vision 2030 such as the Lamu Port Project, Standard Gauge Railway and the support facilities required for devolution at the county level. These will impact significantly on the strategic plans of these firms. This may entail the entry of foreign consultants and contractors particularly those tied to the funding agents who the locally incorporated firms must compete with or team up with if they are to remain relevant and competitive.
Some of the strategy challenges faced by professional bodies, including the construction industry in Kenya is the failure to develop strategic management plans including vision and mission statements, short planning horizons, strict focus on financial orientation in planning without focus on non-financial goals, lack of continuous management training, informality in planning and a top-down approach in planning without involvement of all stakeholders involved in strategy implementation. In most cases, these organisations do not scan the external environment for any changes.

In Kenya, architectural firms are an integral part of the construction industry. They form a key component of the project consultancy teams and are usually responsible as the lead consultants for the management and implementation of construction contracts. These projects must be executed professionally within the specified budget, time frame and technical specifications. These firms encounter specific challenges in their industry.

In Kenya, there are about 350 registered architectural firms (Board of Registration of Architects and Quantity Surveyor of Kenya, 2014). Therefore, the competition in this sector is very stiff. These firms must therefore develop competitive strategies to achieve an edge over their competitors. Again, due to the unique challenges in this market, the players must always adapt to the ever-changing environment so as to achieve a competitive sustainable advantage.
In Indonesia, the construction sector’s contribution to the country’s total GDP increased from 5.5% to 7.7% in 2007 and this was set to expand to 7.8% in 2012. Business Monitoring International (2009) forecasts that the sector will reach a value of US$78 billion in 2013, double the figure of US$39 billion achieved in 2008, and will employ 5.6 million workers and this number will potentially reach 6.5 million in 2012 which make up approximately 6.27% of Indonesia’s total workforce in 2012. In the United Kingdom, the construction sector is also a key enabler of growth right across the economy. The construction sector employs about 10% of the United Kingdom’s workforce and contributes almost £90 billion to the UK economy each year (http://www.cbi.org.uk/business-issues/construction/).

The construction industry in Kenya is a major economic driver. This sector grew by 5.5% in 2013, from a growth of 4.8% in 2012. The construction private sector is a major source of employment where in 2013 it employed 112 000 people compared to 98 700 in 2012, this was a 13.5% increase. In the public sector, 18 300 jobs were created compared to 17 400 in 2012 (PriceWaterCoopers, 2014). The commercial banking sector advanced loans to the sector to the tune of KES 69 183 million in 2012, which increased by 2.3% to KES 70 770 million in 2013 (Kenya National Bureau of Statistics, 2014).

In a study conducted by Musyimi (2010), on competitive strategies among architectural firms in Kenya, it was found that firms adopt different competitive strategies including market penetration (3%), product development (6%), market development (3%), diversification (28%), cost leadership (0%), differentiation (31%) and a focus strategy (28%). Legislation had an effect on competitive strategy adopted
since it laid the minimum professional fees; therefore cost leadership was not among the adopted strategies.

Despite the important role the construction industry has played in the economic development of the country, there are no documented studies that have explored the strategic management practices among architectural firms in Kenya. This is in addition to the ever-changing external environment and challenges that affect the functioning of these professional firms. Therefore, with these challenges, it is important to study the strategic management practices in the construction industry in general and architectural firms in particular. This research project, therefore, seeks to establish the strategic management practices in the construction industry with specific attention to Triad Architects. The fundamental question this study sought to answer is what are the strategic management practices adopted at Triad Architects?

1.3 Research Objectives

The main research objectives were:

   i) To establish the strategic management practices at Triad Architects.
   
   ii) To establish the main tools and techniques of planning at Triad Architects.
   
   iii) To determine the competitive strategies adopted at Triad Architects.

1.4 Value of the Study

This study is of benefit to professional practitioners, academicians and policy makers.

For the professional practitioners, the study findings will help them understand how adopting strategic management practices would assist them achieve market success.
The academicians on the other hand, may use and reference this study to further knowledge development. Academicians may for example choose to test the findings in a different kind of profession such as medicine, law and finance.

Policy makers will be able to learn about adherence to legislative guidelines in this sector, for example, charging of professional fees as stipulated by the law. This study will also help in future policy directions, especially to make concessions for local firms when faced with competition from big established multinational.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter appreciates the literature appraisal of other studies in the field of strategic management with specific focus on strategic management practices in the construction industry. Specifically, the areas covered in this chapter include theoretical bases of strategy and Porter’s Five Forces Framework.

2.2 Theoretical Foundation

Strategy is defined as the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competencies with the aim of fulfilling stakeholder expectations (Johnson, Scholes and Whittington, 2008). Essentially, strategy stipulates and illustrates the activities that the organization will engage in, and therefore defines the limits or boundaries within which it should operate in order for the organization or firm to gain a competitive advantage over its competitors within the industry or environment of operation, its focus must without a doubt be beyond the short and medium term.

Strategic management entails the analysis of internal and external environments of a firm to maximize the utilization of its resources in relation to objectives (Bracker, 1980). Analysis of the external environment can use the Political, Economic, Social, Technological, Ecological or Legal (PESTEL) framework for the macro environment or the Strength, Weakness, Opportunities and Threats (SWOT) analysis to understand the external environment.
Every organization has to manage its strategies in three main areas: the organization’s internal resources, the external environment within which the organization operates and the organization’s ability to add value to what it does. Organizations need to develop strategies to optimize the use of its resources, which include human skills, investments and capital. The organization should identify its core competences and utilize the resources optimally so as to develop a sustainable competitive advantage. Environmental strategy deals with threats and opportunities presented by the environment. The organization should be able to match its capabilities to exploit the available opportunities and reduce on the threats.

An organization receives inputs, adds value through processing and transformation and sells the products to the customers. Adding value involves a system-based approach where the environmental strategy involves scanning of the environment, forecasting changes in the environment and analyzing the trends in order to develop the plans (Crosby, 1979).

2.3 Strategic Management in Construction Industries

Strategic management in the construction industry in different contexts has taken on different strategic approaches and commitment to strategic practices. Numerous studies have explored the concept of strategic management and practice in the construction industry.

In the United Kingdom, for the example, the construction and engineering industry has shown a high commitment to strategic management practices (Chinowsky and Brown, 2004). On the other hand, Chinowsky and Meredith (2000) and Betts, Clark
and Ofori (1999) noted that strategic management application to the construction context remains limited and lags behind that in other industries. Cheah and Garvin (2004) found that operational strategy has dominated strategic management research and practice in the construction industry. Huovinen (2004) concluded that there is no established tradition in construction related business management research.

Betts and Ofori (1992; 1999) made an important contribution with their linkage of the study Porter’s framework of five competitive forces and generic strategies (Porter, 1980) in a construction business environment. They suggested a five-level framework at which strategic management may be applied in the construction context: the national construction industry, professional institutions, construction enterprise, construction projects and construction products. While recognising the importance of professional institution and trade associations, they argue that the corporate or enterprise level is a most significant example of strategic management and business process analysis. Several concepts and theories have been advanced in strategic management that include *Porter’s Five Forces Framework, Resource-Based View Framework* and *Dynamic Capabilities Framework*.

**2.3.1 Porter’s Five Forces Framework**

The *five-force framework* is a paradigm model developed by Porter (1980). This model has dominated the strategy paradigm since the 1980s. In the Porter’s five forces framework, there are five industry level forces that determine the inherent profitability of the industry: threat of new entrants, threat of substitution, bargaining power of buyers, bargaining power of suppliers and rivalry among existing firms.
In his framework, Porter identifies the three fundamental alternatives firms can use in seeking competitive advantage: becoming the low-cost producer within the markets in which it competes or differentiating it from competitors through developing points of difference in its product offerings or marketing programs. He also identifies the competitive scope: a broad target by competing in many market segments or a narrow target by competing in only a few segments or even a single segment.

The result is four generic business strategies, any one of which can provide a competitive advantage among similar business units in the same industry. The cost leadership strategy requires a serious commitment to reducing expenses that, in turn, lowers the price or the items sold in a relatively broad array of market segments. Significant investments in capital equipment may be necessary to improve the production or distribution process and achieve these lower unit costs. A differentiation strategy requires innovation and significant points of difference in product offerings, brand image, higher quality, advanced technology, or superior service in a relatively broad array of market segments. This allows the firm to charge a price premium. The cost-focus strategy involves controlling expenses and, in turn, lowering prices, in a narrow range of market segments while a differentiation focus strategy utilizes significant points of difference to one or only a few market segments.

2.3.2 Resource-Based View Framework

The Resource-Based view (RBV) is considered to be one of the most widely accepted theories of strategic management (Powell, 2001). Barney’s (1991) paper on firm resources and sustained competitive advantage is widely regarded as the most comprehensive theoretical framework of RBV. Barney articulates the firm’s resources
as the fundamental determinants of competitive advantage with two critical assumptions: heterogeneity and immobility. First, resources are assumed to be heterogeneously distributed among firms (Barney, 1991). Such a condition allows for the existence of differences in firm resource endowments. Second, resources are assumed to be imperfectly mobile (Barney, 1991). This condition allows for these differences to persist over time. Barney argues that only resources that are simultaneously valuable and rare can generate competitive advantage.

However, the assumed heterogeneity and immobility are not sufficient conditions for sustained competitive advantage. Barney (1991) suggests that a firm resource must be valuable, rare, inimitable and must be non-substitutable in order to be source of a sustained competitive advantage. Putting these all these attributes together provides a single framework - VRIO Framework stands for Value, Rarity, Inimitability, and Organization terms.

Despite, the fact that the Resource-Based View (RBV) is one of the most broadly accepted approaches to strategic management, it is not without criticism. Criticisms relate to the unit of analysis, the tautology of RBV theory, the exogenous nature of value, the relation to the environment, and the heterogeneity.

In summary, the Resource-Based View (RBV) emphasises the firm’s resources as the fundamental determinants of competitive advantage. It is different from Porter’s (Porter 1980) framework that sees industry as a key-determining factor. However, a number of RBV authors (Foss and Knudsen, 2003; Peteraf and Barney, 2003) recognize that the resource-based perspective and industrial organisation tools, such
as Porter’s Five Forces Model, complement each other in explaining the sources of a firm’s performance.

2.3.3 Dynamic Capabilities Framework

The Dynamic Capabilities Approach extends the strategic management notion by addressing competitive advantage in dynamic fashion, since the VIRIO Model (Barney, 1991) and the Five Forces Model (Porter, 1980) remains as static prescriptions (Priem and Butler, 2001). This approach is an evolutionary version of the RBV, where it shares similar assumptions Barney (2001); however it also incorporates external factors such as institutional and market position. Teece and Pisano (1994) suggested that it is necessary to consider the shifting character of the external environment and hence the key role of strategic management, which is predominantly about adapting, integrating and reconfiguring internal and external organisational skills, resources and functional competencies toward the changing environment.

There are various definitions on Dynamic Capabilities, but the original definitions referred to the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece et al., 1997). According to Barreto (2010), Teece’s Dynamic Capabilities Approach consists of six main elements that emphasise its major theoretical underpinnings. First, they categorised the nature of the concept as being an “ability” (or ‘capacity’), stressing the critical role of strategic management. Hence it extended RBV by suggesting a different kind of capability.
Second, they specified the role of the capability as being to integrate (or coordinate), build, and reconfigure internal and external competences. In this case, it assumed an evolutionary economics perspective (Nelson & Winter, 1982) by articulating the role of routines, path dependencies, and organisational learning. Third, it focused on a particular type of external context, namely, rapidly changing environments. This is a natural consequence of dynamic capabilities approach as an extension of the RBV toward regimes of rapid change, for which it undertook a more entrepreneurial perspective (Schumpeter, 1934). Fourth, it is assumed that dynamic capabilities are typically built rather than bought and that their creation and their evolution are embedded in organisational processes that are shaped by firms’ asset positions and the evolutionary paths they have adopted in the past.

Fifth, it emphasised that dynamic capabilities are heterogeneous across firms because they rest on firm-specific paths, unique asset positions, and distinctive processes. These are similar to resources and capabilities considered within RBV. Finally, dynamic capabilities approach clearly claimed sustained competitive advantage as a direct outcome. According to Teece et al. (1997), the term actual ‘dynamic capabilities’ highlights two key aspects that were previously oversimplified. First, the term dynamic refers to changing business environment that requires the capacity to renew competences and innovative responses. Secondly, the term capabilities are seen as the manner in which firms appropriately adapt, integrate, and reconfigure their internal and external skills, resources and competences in order to respond to a changing environment. Teece (2007) claims that the dynamic capability framework draws from intellectual streams, including entrepreneurship, the behavioural theory of the firm and behavioural decision theory, organisation theory, transaction cost
economics, and, to some extent, evolutionary economics. In summary, in this strategy perspective, in rapidly changing environment, competitive success arises from the continuous development and reconfiguration of firm specific assets (Teece and Pisano, 1994; Teece, Pisano et al., 1997; Teece, 2007).

2.4 Empirical Studies

Besanko et al. (2007) argue that a firm should confront four basic classes of issues to successfully formulate and implement strategy: the boundaries of the firm, market and competitive analysis, position and dynamics and internal organisation. Langford and Male (2001) have identified organisational structure, reputation and innovation as primary sources of distinctive capabilities stem. These capabilities may lead to a competitive advantage, as Male and Stocks (1991) note that innovation as one of specific-firm advantage for construction enterprise.

From the year 2000 onward, strategy research in construction started to spread with a focus on internal structure, resources, and capabilities of the construction firm. Jaafar and Abdul-Aziz (2005) offer a dynamic version of resource-based approach and confirmed that managerial capability is determinant of the construction firm’s success.

Whilst De Haan, Voordijk, & Joosten (2002) refer to offers of innovation; marketing and production capabilities as determinants, Chew, Yan, & Cheah (2008) add them with entrepreneur capability. Porter’s (1980) model of competitive forces and generic strategies is still popular among from construction economic scholars. For instance,

Yates (2007) addresses the changing nature of construction industry competition such as barriers to competitiveness, nationalism issues, and external influences on competition. He argues that although there are always new ways to compete against local firms, it requires more knowledge about local conditions, cultures, and politics, thus organisational transformation is the most effective strategy to adopt for the next century. Construction enterprises should transform their organisations from their native country’s way and move them toward the forefront of domestic and global business arenas at the close of the twentieth century. Price and Newson (2003) believe that for many construction enterprises, success in the future will depend upon on transformational strategies.

In the latest report, ‘2009 Construction Industry Strategy Survey’ Blair (2009) found that there is a significant shift in the industry context, and then construction firms must adapt their strategies to remain viable. The shifting context is the main impetus driving construction enterprises to revisit their current strategy. The findings suggest that while most companies anticipate a high degree of future uncertainty, the firms have not adapted the way they develop strategy.

In Kenya, a study on architectural firms found that these firms face turbulent conditions just like any other business and concluded on that the need to counter this impact of competition was inevitable. This was, however, challenged by the fact that these firms’ owners did not have evidence of any business training to complement
their technical training. These firms had low adoption of strategic management practices with little adoption to the ever-changing environment (Musyimi, 2010).

Various applications of strategic management concepts are already identified by construction practitioners and researchers. It started from a strategic planning shift to strategic management and from static to dynamic fashion of strategy. In many models developed by construction scholars, competitive advantage is simply defined as organisation performance, while they are two different research constructs. As competitive advantage is a key construct in strategic management research, its mediation role in the resource/capability performance relationship is critical (Newbert, 2008).

As noted by Huovinen (2004), research tradition in construction-related business-management is still lacking; however, the research is still giving great power to market (industry specific-factors) or firm-specific factors, and relatively little power to the combination of those two factors. Construction researchers are satisfied with their single-based strategy paradigm rather than an integrative approach, such as dynamic capabilities which composites internal and external factors. In fact, strategic management studies building on either practical cases or empirical findings related to dynamic capabilities are seriously lacking in the construction industry.

The construction sector in Kenya faces specific challenges that include: challenges of staffing and competence, access to finance, inability to meet statutory requirements where some contractors are challenged by requirements in the standard contract
documents that call for high levels of bid bonds and performance bonds, absence of a unified legal and regulatory framework for all contractors, inadequate supervision, improperly designed projects by consultants, weak judicial linkages, prevalence of stalled projects, political interference, community interference with staffing, undue harassment by local authorities, absence of established and published work specifications, non-implementation of the National Planning and Building Authority Regulations Act 2010, absence of a rationalized consultancy legislative framework, absence of a binding framework uniting all consultants in the industry, restructuring of the consultancy registration and regulatory regime which created the Board of Registration of Architects and Quantity Surveyors (BORAQS) which is the body responsible for the registration of architects and quantity surveyors in Kenya. The Act also requires to be revised to reflect emerging challenges in the industry not previously anticipated by the existing Act (Moramati Foundation, 2011).

Other challenges include absence of a strong contractors association, prevalence of corruption and graft in the industry, absence of strong links with relevant university departments, multiplicity of uncoordinated legislative instruments in the industry, lack of sound project and financial management skills on the part of many contractors and favouritism in procurement (Moramati Foundation, 2011).
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter outlines the research methodology that was used for collecting vital information required to establish the management practices at Triad Architects Ltd. The sub-sections included the research design, data collection and data analysis.

3.2 Research Design
This study adopted a case study research design. The study site was Triad Architects Ltd based in Nairobi but with a regional presence. This was the preferred research design because the purpose of this research was to develop a definitive and descriptive resource as well as arguments for adoption of competitive strategies in the success of architectural practice in this country. Case studies typically combine data collection from several sources such as archives, interviews, questionnaires and observation. The evidence collected from this study is qualitative.

Case studies are a useful method of research because they provide in depth description (Kidder, 1982), they can be used to test a theory (Pinfield, 1986) or can be used to generate a theory (Gersick, 1988).

3.3. Data Collection
The researcher collected primary data, which increases chances of reliability. On this note, the researcher held sessions directly with the directors and top management at Triad Architects and conducted oral interviews guided by an interview guide. Data was also collected through the review of archival records.
Detailed information was obtained from the directors and key professional staff members involved in the formulation and implementation of strategy. Data was collected using an interview guide developed after literature review and administered through face-to-face interviews.

To answer the research question, this study relied mainly on contextual, theoretical and perceptual information. ‘Contextual’ information or data (Bloomberg and Volpe, 2008) was collected through a review of relevant external documents that refer directly to the architectural institution involved in this study. The documentation was mainly of a descriptive nature. Theoretical information includes information searched from a range of literature sources to gauge what is already known regarding the topic of inquiry while perceptual information refers to research participants’ perceptions related to the particular subject of inquiry (Bloomberg and Volpe, 2008). It is important to take note that perceptions are just that—they are not facts—they are what people perceive as facts and as such, they are neither right nor wrong (Bloomberg and Volpe, 2008).

A detailed qualitative analysis was conducted to derive the findings and an extensive discussion was done to arrive at recommendations and conclusions. Any limitations noted during the study were clearly outlined and confidentiality was maintained during data collection and processing.
3.4 Data Analysis

To help with the analysis of the qualitative data collected during the research process, an interview summary form was completed after each interview took place. This form included details about the time and place of the interview, the research participants, the length of the interview and details about the emerging themes (Dawson, 2002). Both the primary and secondary data in this study was analysed using a combination of thematic and comparative analyses that were involved in the initial reading of data and documentation, identification and generation of emergent themes or categories and finally an interpretive and critical commentary.

In this study, the researcher had a list of themes before hand from the literature review and work around them. Comparative analysis is data from different people that is compared and contrasted until the researcher is satisfied no new themes are emerging
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the research. The researcher interviewed the five directors of Triad Architects Ltd. The directors were the top management of the organisation, shareholders and directly involved as architects in the running of the organisation. The results have been grouped into similar themes for ease of interpretation. The raw data was grouped together and evaluated to clearly depict the management practices at the organisation. Triad Architects Ltd are consulting architects, interior designers, contract administrators and contract managers in primarily in Kenya with regional presence in Rwanda and Uganda.

4.2 Top Management Team

The entire board of five directors was interviewed during the data collection process. All the directors are shareholders with the firm and are also practicing architects with each being in charge of running specific architectural projects. In addition, each director heads one of the five specific management committees within the organisation namely the Information Technology (IT) and International Standardization (ISO) Committee, Human Resource Committee, Finance Committee, Business Development Committee and the Strategic Management Committee.

None of the founder directors sit on the board at present. The longest serving director who joined the firm in 1981 became a director in 1987. He currently doubles up as the Chairman of the Board since the beginning of the year following the retirement of one of the longest serving directors. In addition he has been heading the Human Resource
Committee for the last three years with a professionally recruited human resource manager and support staff reporting to him. The second longest serving director who joined the firm in 1987 became a director in 1998. He is the director in charge of Prospects and Business Development. The third longest serving director heads the finance committee having joined the firm in 1995 and became a director in 2003. A manager and support staff report to him.

The fourth longest serving director is the only female and youngest board member having joined the firm in 2010 and became a director in 2013. She heads the IT and ISO Committee. A manager heading IT and another heading ISO and their support staff report to her. The newest board member joined the firm as a director this year in January although he had had a stint with the firm back in 1993 before he went abroad to practice. He is the director heading the strategic management docket.

Triad Architects is a limited liability company with regional presence in Uganda and Rwanda. Initially the firm had a great presence in the East Africa region and also stretching as far as Botswana. However that market has shrunk over the recent years. This has been due to increased regional competition, the growth of local consultancy firms in those countries and increased focus by Triad on the Kenyan market by increased participation in public bidding with government agencies. Previously Triad’s main focus was with the private sector but increased transparency in the bidding process in the public sector coupled with steps taken to reduce incidences of corruption in the Kenyan procurement system has opened doors for Triad participation in public tendering.
4.3 Strategic Management Practices

Triad has formally been involved in strategic management practices from the last two years.

4.3.1 Vision

The vision of the firm is to be a leader in Architecture, Design and Development in Africa.

4.3.2 Mission

The firm states its missions as “To provide innovative and creative solutions in architecture, interiors and graphic design, project management and development, that meet our clients' and all other stakeholders' needs”.

4.3.3 Core Values

The organisation has selected excellence, professionalism, team work, integrity, innovation and creativity and caring about the environment as the core values.

4.3.4 Quality Assurance

The firm states its quality assurance as follows: "Triad is committed to a high quality of design and services. Our portfolio, broad as it is, offers creative and comprehensive solutions to clients and adapts to their individual systems and requirements. The directors are actively involved in the design and management of all projects to exercise and maintain the highest standards of quality and finish. Our clients also benefit from the latest information technology and design techniques. This has
positioned Triad ahead of the profession in quality, design and client satisfaction in all the projects undertaken”.

4.3.5 Strategic Plans

Two years ago Triad put in place a strategic management plan which is now being implemented. All the respondents were in concurrence that both the internal and external environment in which Triad operated largely informed the different strategic management practices in the firm. Internal factors that influenced the strategy adopted included the Vision, Mission, organizational culture and the organizational structure while external factors impacted on how the firm practiced included competition, customer demands for greater creativity and innovation, technological changes, government policy and legislation. The firm's strategic plan spans over five years.

4.3.6 External Environment

According to the respondents, the major changes that have informed them adoption of strategic plans are competition from existing firms and entry of global firms. Other changes in the external environment which have also influenced the adoption of the strategic plan are regional based firms, and partnerships among architectural firms. The perceived strength of each of these factors is Table 4.1
Table 4.1: The threats in the architectural market

<table>
<thead>
<tr>
<th></th>
<th>Least competition</th>
<th>Most competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A] Newly entrant firms</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>B] Existing firms</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>C] Technicians and draftsmen</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>D] Global firms</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>E] Regional based firms</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>F] Individually owned firms</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>G] Partnerships</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Source, Author, 2014

The respondents noted that new entrant firms of international stature particular from South Africa like GAP and Boorgathman have had a great impact as competitors on the Kenyan market. This has been as a result of their reputation through past performance, the large size of their organisational structures, the efficiency and effectiveness of operations, the high level of creativity and innovation and the good quality of architectural designs and buildings. Only two local existing firms in Kenya primarily Symbion International and Tom Bowman's are the architectural firms they consider to be their biggest competitors. Technicians and draftsmen really do not offer them that much competition. Individually owned local firms and partnerships do offer some competition but is not considered significant.

According to the respondents the main competitors are offerings attractive prices, superior products and targeting their loyal clients. In addition their wide geographical presence and innovative operations is being exploited by their global competitors to
eat into their market share. The relative strength of the strategies used by the different competitor’s is shown in Table 4.2.

Table 4.2: Sources of sustainable competitive advantage among architectural firms

<table>
<thead>
<tr>
<th>Least used strategy</th>
<th>preferred strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive prices</td>
<td>x</td>
</tr>
<tr>
<td>Supreme products</td>
<td>x</td>
</tr>
<tr>
<td>Loyal clients</td>
<td>x</td>
</tr>
<tr>
<td>Wide geographical presence</td>
<td>x</td>
</tr>
<tr>
<td>Innovative operations</td>
<td>x</td>
</tr>
</tbody>
</table>

Source: Author, 2014

According to the respondents, prices offered as costs for consultancy services by competing firms does not have a significant impact on the level of competition in the architectural market. Construction of superior designs with an elegant look that is aesthetically pleasing and comfortable is on the rise according to the study findings. This results in good quality, energy efficient and environmentally friendly buildings being produced especially by the global firms who are offering stiff competition as they penetrate local market. The study further shows that global firms are also very effective and efficient in their operations through creativity and innovations that gives them a competitive advantage in the market. The study has revealed that the global firms have been able to penetrate the local market and increased the competition locally due to their wide geographical presence and that client loyalty has been a
factor that has worked in favour of Triad since they have a strong clientele base locally which the competitors have found difficult to penetrate. The loyalty of clients has accrued over the years based on the strong portfolio of good architectural buildings.

4.3.7 Mix of Strategic Objectives
The firm not only has financial objectives but also non financial objectives. The non financial objectives include being innovative and beating the competition, having a customer focus to acquire new clients while retaining the existing ones. Triad also aims at achieving learning and growth objectives through training and development.

4.3.8 Goals
Triad has a mix of several goals. The respondents revealed that profitability is one of the goals. It was reported that the firm has set a minimum margin of profitability on all projects that they are commissioned. There are also specific set targets for return on investment that must be achieved on any investments. Due to the size of the firm, they have also aimed at achieving volume growth by setting their target on large projects. This is necessary for the continued sustenance of the large architectural practice. In terms of their production goals, the firm aims at increasing the quality of designs through creativity and innovation by continuously making investments in research and development. Despite the market share the firm already controls, it aims at stifling competition by increased efficiency and effectiveness to retain existing clients and venturing into new markets for expansion.
The firm also aims at high quality products through improved efficiency in order to overcome competition from rivals. This has been achieved through enhanced quality production methods resulting in products of superior quality. The study found out that the entire IT system was being replaced with a superior system to enhance their competitive advantage. In terms of manpower, Triad endeavours to create and advance the capacity and creative skills of the staff through regular and continuous training programs that enhance the development of the staff at all levels. This is done simultaneously to create teamwork, cohesiveness and togetherness.

From the respondents, it is evident that Triad is proactively trying to expand its market in the public sector through competitive bidding. The study revealed that transparent procurement procedures now in place in government agencies occasioned by the new procurement laws in force was the motivation and driving force that allowed a level playing field for competition. Previously Triad had traditionally relied on its loyal private sector clients. This included donor agencies like USAID, British AID, and SIDA who have since reduced their active participation in funding of community projects.

4.3.9 Strategy Development

This study has found that the level of participation in strategic management is neither the traditional top down approach nor the bottom up approach. Significantly the study found that Triad has adopted a shared approach in strategy where all the directors, architects and support staff together formulate the vision and mission of the firm and set the goals and objectives. This has created a sense of ownership of the vision and
the strategic plan which is an advantage when it comes to the implementation process because of the good will created through the collective buy-in

The study clearly shows that Triad has adopted a formal structure in its strategic planning. This is evidenced by the strategic management workshop that they had two years ago that produced the strategic plan which they are now in the process of implementing. The study revealed that Triad has in place planning timetables, produces written plans and is now finalising the implementation budget. The strategic plan is yet to be signed off by all the directors though in principle it is already being implemented. In so far as the flexibility of the organisational planning in Triad is concerned the study revealed that there is some level of flexibility that is allowable in the implementation of the strategic plan provided it does not distort the main focus of the intended strategic plan.

4.3.10 Collection of External Data

The study found out that Triad has embarked on an elaborate plan of collection of external data to enhance in strategy formulation. Triad is planning to invite internationally renowned architects from around the world to visit the firm to give lectures, share experiences and exchange ideas. The directors and staff are also encouraged to attend international workshops, forums, seminars; benchmarking tours to foreign countries in order to broadened their perspective of architecture and learn from best practices by interacting with the architects at the highest level.
4.4 Management Training

Management training at Triad is done at all levels for the directors and staff. The study revealed that the training is carried out simultaneously together to foster teamwork, equality and unity within the firm. The study revealed that Triad has had to grapple with the challenge in the environment of emerging foreign firms. These foreign firms have been bidding for work locally increasing the level of competition on the local scene and eating into the existing market resulting into declines in the expected turnovers and reduced profitability. To address this challenge Triad has continuously embarked on raising the bar to stifle competitive. The firm has achieved and maintained a competitive edge by attending international architectural and construction workshops and seminars to harness their skills. Deliberate efforts have been made by Triad to continuously improve the quality of design and presentations to overcome the competition from the foreign firms by enhancing the skills of the staff through local and international exposure.

4.5 Communication

Triad has used several methods of business communication and proclivity acceptable advertising methods including being a member of professional bodies like Board of Registration of Architects and Quantity Surveyors (BORAQS) and the Architectural Association of Kenya (AAK). Erection of site signboards displaying the name of the project, the developer, the consultants and the contractors is a precondition for the approval architectural drawings by most county governments. Triad has taken this opportunity of using signage in ongoing projects where their site signboards are branded with their logo and standardised across all sites. The positive effect of this strategy for the firm is that a construction site being run by Triad stands out and can
easily and clearly be identified. The firm has been sponsoring community projects e.g. Traid continuously engaged in corporate social responsibility by sponsoring projects and making contributions to Gertrude's Children’s Hospital and Muthaiga Primary School. Currently they are supporting Olympic Primary School in Kibra and Martin Luther Primary School in Jericho.

Triad also made and continues to make contributions to publications in the construction industry. For example, in the past they have either contributed or been featured in publications such as the "The Architect" by AAK, BORAQS publications, Constructions Review Magazine among others. The firm does not get involved in proposal presentations to potential clients. According to the respondents, this is because of the heavy resources required in terms of time and money to make such proposals to clients. However, the firm is open and may consider doing such proposals in future. Other methods of business development include establishing contacts with business cards. On another front, the Triad website has been in existence for a while and they are currently upgrading it to enhance their competitive advantage. Other main sources of business for Triad include referrals from satisfied clients and personal relationships with other consultants. Interestingly unsolicited clients better known as “walk-in-clients” have been a major source of their business based on the reputation of the good projects they have executed in the past. Bidding and innovative proposals also constitute a major source of business opportunities for Triad.
4.6 Market Strategies

Triad has used a combination of strategies to remain profitable and increase its market share. These strategies include market penetration through bidding for government jobs in the public sector. Previously Triad’s focus was on the private sector only. The firm has also been involved in product development by working on improved production techniques and quality presentations. The firm is also involved in market development by re-establishing their regional presence in The East Africa region that they once dominated but which with time, the market shrunk and they lost ground.

The firm is involved in differentiation by producing top notch architectural master pieces that are creative, innovative, environmentally friendly, sustainable, energy efficient and aesthetically appealing by adopting appropriate technologies. Triad is mainly focussed on procurement of large projects that make economic sense in terms of profitability and sustainability for such a large architectural practice. From the respondents, it is clear that Triad does not practice cost leadership and is not keen to pursue diversification. The firm plans to remain focused on architecture, interior design and project management as its core business with continued enhancement of its competitive advantage.

4.7 Discussion of Findings

This study found that Triad is involved in strategic management for the last two years. The firm has a core team of competent top management members who have been steering strategic management at the organisation. Studies have found that the effectiveness of strategic management is affected by the quality of people involved in the process (Govindarajan, 1989). Here, quality refers to skills, attitudes, capabilities,
experiences and other characteristics of people required by a specific task or position. The study collates with the literature on the importance of management ability, or competence, in achieving successful strategic management practices, where the study found that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation, giving a clear guidance, sustain vigorous strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy. The researcher further found that the directors and all staff are all involved in strategic management process at Triad and jointly responsible for the implementation.

On the impact of management training and development programs on effective strategic management practices, the researcher found that training instills to the staff a set of management competencies which it is hoped will deliver better competitive and professional practice; Staff training is an important contributor to individual and group motivation; training can increase staff involvement in the organization, improve communication between peers; facilitate change, eliminates confusion since everybody understands his or her role.

According to Berley (1994) early involvement of staff in the strategy process enhances strategic management practices. Andrews (1987) adds that early involvement of employees in the strategy process help employees in the understanding of the organizational goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation.
According to Pearce and Robinson (2003) involvement of employees in strategic planning increase employees confidence and sense of ownership of new policies and changes which in turn contribute to their personal and professional motivation towards successful strategy implementation.

The findings reveal that the management at Triad took initiatives that motivated employees in their strategic management role. The findings concurs with the works of Hambrick and Cannella (1989) that encouraging teamwork, continuous staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion and interaction and proper communication motivates employees to participate in strategic management role.

According to Hax and Majluf (1991) clear aims and planning, a conducive climate, giving strategic management practices priority, having abundant resources, an appropriate structure and implementing flexibly, organizational structure, control mechanisms, strategic consensus, and leadership influence the success of strategies implemented.

The study found out that Triad is involved in strategic planning. This is evidenced by the present of a vision and mission statement, core values and a quality assurance statement. The external environment plays a major role in shaping strategic direction at the firms. Such factors as new entrant firms, existing firms, technicians and draftsmen, global firms entering the Kenyan market, regional based firms,
individually owned firms and Partnerships among industry players are a major source of market uncertainty. Competitors have such offerings as attractive prices, supreme products, loyal customers, wide geographical presence and innovative operations as some market strategy by different firms

The firm not only has financial objectives but also non financial objectives. The non financial objectives include being innovative and beating the competition, having a customer focus to acquire new clients while retaining the existing ones. Triad also aims at achieving learning and growth objectives through training and development.

The study clearly shows that Triad has adopted a formal structure in its strategic planning. This is evidenced by the strategic management workshop that they had two years ago that produced the strategic plan which they are now in the process of implementing. The study revealed that Triad has in place planning timetables, produces written plans and is now finalising the implementation budget.

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Triad has used a combination of strategies to remain profitable and increase its market share. These strategies include market penetration through bidding for government jobs in the public sector. Previously Triad’s focus was on the private sector only. The firm has also been involved in product development by working on improved production techniques and quality presentations. The firm is also involved in market development by re-establishing their regional presence in the East Africa region that they once dominated but which with time, the market shrunk and they lost ground. The firm is involved in differentiation by producing top notch architectural masterpieces that are creative, innovative, environmentally friendly, sustainable, energy efficient and aesthetically appealing by adopting appropriate technologies. Triad is mainly focussed on procurement of large projects that make economic sense in terms of profitability and sustainability for such a large architectural practice. From the respondents, it is clear that Triad does not practice cost leadership and is not keen to pursue diversification. The firm plans to remain focused on architecture, interior design and project management as its core business with continued enhancement of it competitive advantage.
5.1 Introduction
This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are in the quest to address what the research question and objectives aimed at achieving at that is: strategic management practices at Triad Architects Ltd.

5.2 Summary
The study found that all the directors, architects, managers and technical staff were involved in the formal strategic management process at Triad. The study found that involvement of the staff both technical and support from the onset in the strategy process helps the employees in understanding the objectives, goals, style, targets, expectations and cultural values of the firm. Early involvement of the staff in the organisation helped them prepare adequately in pursuing the vision of Triad particularly in minimizing situations where they would be taken by surprise by changes in the environment. This ensured that the staff at Triad was on the same platform with a sense of ownership of the strategic management process that ensured better results through teamwork and maintaining a high level of competitiveness.

The study reveals that proper communication of strategic awareness can act as a cohesive force and succeed in bringing together those with the ultimate responsibility of implementing the strategic management policies. Clear communication is
important in every aspect of strategic management. It is related in a complex way to organizing processes, organizational context and implementation objectives. This in turn has an impact on the implementation process and also enhances timely feedback on the progress made and challenges faced in the process of strategic management. The study found that at Triad the involvement of the board directors, the architects, the managers, the technical and support staff prepared the employees to address the ever-changing business environment particularly in the implementation of the strategic management plan as there was buy-in and ownership of the process right through. This ensured that members worked as a cohesive unit working for Triad through teamwork on the same footing and thus ensuring better results in the architectural business environment through creativity and innovation.

5.3 Conclusions

From the study, the research concludes that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness and manage resistance to strategy implementation. Early involvement of all staff members in the strategy process helped employees understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of Triad’s strategy and implementation. This was achieved by putting all staff members on the same platform and this helps the Triad staff to own the process thus ensuring better results.

The study also concludes that the management lead by the board of directors has taken initiatives in creating and sustaining an ambience within Triad that motivates the staff in the implementation of the strategic plan. This is achieved through encouraging excellence, professionalism, teamwork, integrity, innovation, creativity
while caring about creating a sustainable physical environment. The powerful organisational culture and strong core values result in the staff aligning their individual goals, aspirations, objectives, and behaviors with those of Triad. This is done through continuous professional development and training, implementing reward schemes of merit, promotions and benefits systems including opportunities to rising to the level of directorship from within the firm. The conducive working environment has ensured that there is focus on relationships between professional peers through effective management meetings that allow opportunities for discussion, interaction, and effective proper communication.

The study also concludes that factors leading to successful strategic management practices include clear targets and planning parameters, a conducive work ambience and prioritizing of implementation of strategy. The study further reveals that provision of adequate resources, existence of an appropriate structure and implementation flexibly, organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards all count towards strategy implementation success.

On the challenges, the study concludes that Triad faces the challenges of strategic management practices. These include implementation time being underestimated at times, slowness in the implementation process and inadequate experience and expertise in strategic management leadership. In addition to these challenges are changes in the political environment, slow involvement of the staff in the implementation process, inadequate know how on the key stages, coordination problems, and ambiguous strategic intentions.
The study further concludes that conflicting priorities, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, competing activities and uncontrollable environmental factors as challenges that Triad experiences in strategic management practice. Critically, Triad also faces the challenge of the vision drivers of the strategic implementation processes being overwhelmed with other responsibilities particularly on their professional calling as architects, which in essence is their core business. The firm faces the adverse impact in strategic management practices were increasingly sophisticated clients have unique requirements and demands for delivery of architectural services in addition to the requirement for specialized management practices and escalating globalization.

5.4 Recommendations

5.4.1 Recommendations for Triad

From the discussions and conclusions in this chapter, the study recommends that although Triad has been successful in its strategic management practices, in order to further achieve its goals and objectives, the firm should continuously train its staff on how the strategy should be implemented, involve the supporting staff more in decision-making and outsource or employ a competent manager in strategy to ensure implementation is fast-tracked.

The study recommends that Traid should ensure effectiveness in coordination and sharing of responsibilities of strategic management practices/activities, to avoid challenges of delayed implementation of strategies, overworking of some staff particularly those involved spearheading the implementation process, errors of
commission, omission and duplication. The study further recommends that Triad should continuously involve all staff in strategic management practices.

5.4.2 Recommendations for Policy and Practice

Based on findings of the study, it is expected that the stakeholders, who include Triad among other architectural firms will gain a better understanding of the strategic management practices employed, the challenges emanating from changes in the business environment and possible responses to remain competitive. Good strategic management practices are an asset for architectural firms in enhancing and sustaining their competitive edge. In addition, understanding the impact of the dynamic changes in the business environment on the architectural firms could help practitioners in the field ensure that the architectural firms develop rational strategies to effectively respond.

5.5 Limitations of the Study

The main limitations of this study including challenges in getting a copy of the actual strategic management plan of the firm primarily due to confidential nature of the document. This reduced the probability of reaching a more conclusive study. However, conclusions were made based on the responses from the respondents during the interviews on the strategic plan. The directors were hard pressed for time because of the heavy workload at such a large architectural practice. However, despite this shortcoming, the respondents still managed to provide adequate responses under the prevailing circumstances.
5.6 Recommendations for Further Research

The findings of this study, it is hoped, will contribute to the existing body of knowledge and form basis for future research. This paper was a case study about the strategic management practices at Triad Architects Ltd. Future studies could focus on strategic management practices in architectural firms in the East African region as a cross-sectional survey study. This would shed light on the extent of strategic management practices at architectural firms in the region. Further research could also be done on the impact of strategic planning on the performance of the architectural consultancy firms in the region. A similar study could be replicated in the construction sector of the economy that is vibrant but limited in terms of the number of studies done to comprehend its operations. All sectors of the economy are affected by changes in the business environment. It would thus be important to know more about the strategic management practices in the construction industry.
REFERENCES


APPENDIX 1: INTERVIEW GUIDE

Strategic Management Practices at Triad Architects Ltd

This academic interview schedule is prepared purposely to assist in collecting data relating to strategic management practices at Triad Architects for academic purpose at the School of Business, University of Nairobi. Any information shall be treated with strict confidentiality and will only be used for the aforementioned intention.

Kindly indicate your consent prior to answering. ☐ I agree ☐ I disagree

Preliminary Issues

1. Can you briefly describe the kind of work your organisation is involved in?

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

2. What is your current position within the organisation? What are the functions that come with this role?

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

3. How long have you been working for this organisation.................................?

External Environment

4. To what extent do you consider the following categories of players as competitors?

A] Newly entrant firm
B] Existing firms

___________________________________________________________

C] Technicians and draftsmen

___________________________________________________________

D] Global firms

___________________________________________________________

E] Regional based firms

___________________________________________________________

F] Individually owned firms

___________________________________________________________

G] Partnerships

___________________________________________________________

Please provide any other details.

___________________________________________________________

5. To what extent do you consider the effect of what your competition is offering the market on your practice?

(A) Attractive prices

___________________________________________________________

(B) Supreme products

___________________________________________________________

(C) Loyal clients

___________________________________________________________

(D) Wide geographical presence

___________________________________________________________
(E) Innovative operations

___________________________________________________

Please provide more details___________________________________________________

6. Do you have a vision or a mission statement and if so to what extent are the
   operations of Triad linked to it?

___________________________________________________

___________________________________________________

7. Does the organisation have a strategic plan and if so please give details?

___________________________________________________

___________________________________________________

8. What is the mix of firm’s strategic objectives/plans? Companywide plans,
   functional plans, budgets, project plans, short term plans and long term plans.

   Financial objectives________________________________________

   Non financial objectives: _____________________________

   Customer focus________________________________________

   Learning and growth objectives________________________

   Business process perspectives__________________________

   Organisational planning horizon________________________

9. To what extent does Triad pursue its organisational goals?

   Profitability  {?}   volume growth  {?}   production  {?}   

   Market share  {?}   Return on investment  {?}   quality improvement  {?}   

   Manpower  {?}   survival  {?}   innovative designs  {?}   

   Production development and procurement  {?}
10. To what extent is the participation level of staff in strategic management?

___________________________________________________ __________________

11. Is there formality in strategic planning? Evidenced by planning timetables production of written plans and a budget?

___________________________________________________ __________________

12. How flexible is the organisational planning:

___________________________________________________ __________________

13. Apart from internal data, to what extent does the organisation have formal plans for collection external data to help in strategy formulation?

___________________________________________________ __________________

14. To what extent does triad have plans for management training for its directors and staff?

___________________________________________________ __________________

15. Have you had to change it in the past due to changes in the environment which caused declining in turnover?

___________________________________________________ __________________

16. How do you deliberate measures to stay competitive?

___________________________________________________ __________________
17. To what extent is deliberate measures undertaken to remain competitive?


18. To what extent have you employed any of the following business communication methods?

(A) Joining professional bodies

(B) Signboards ongoing projects

(C) Sponsoring community projects

(D) Contributions on publications

(E) Proposal presentations to potential clients

(F) Business cards

(G) Websites

(F) Any other?

19. To what extent have you used the following methods of sourcing business? How you get new customers?

<table>
<thead>
<tr>
<th>Referrals from satisfied clients</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>----------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Personal relationship with other consultants</td>
<td></td>
</tr>
<tr>
<td>Unsolicited clients</td>
<td></td>
</tr>
<tr>
<td>Bidding</td>
<td></td>
</tr>
<tr>
<td>Innovative proposals</td>
<td></td>
</tr>
</tbody>
</table>
20. To what extent have you applied any of the following tactics or strategies in your operations?

<table>
<thead>
<tr>
<th>Market penetration</th>
<th>Product development</th>
<th>Market development</th>
<th>Diversification</th>
<th>Cost leadership</th>
<th>Differentiation</th>
<th>Focus</th>
<th>Others</th>
</tr>
</thead>
</table>

Thank you very much for your time and kind consideration in responding to my questions.

I will send my findings, to your office.

Thanks again.