

**FACTORS INFLUENCING IMPLEMENTATION OF THE NATIONAL
ACCESSIBILITY TO WATER STRATEGY BY THE TANA WATER SERVICES
BOARD**

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DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other University.

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

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DEDICATION

This work is dedicated to my parents who gave me the opportunity of an education and for their support and encouragement every step of the way.

ACKNOWLEDGEMENT

First and foremost, I would like to thank the Almighty God for this far he has brought me in my studies. I would also like to thank my supervisor for this project, Prof. Peter K'Obonyo for the valuable guidance and advice. His dedication and guidance contributed tremendously to this project.

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ABSTRACT

The government of Kenya introduced the water sector reforms in response to the declining performance of the actors in the sector. The reforms saw the creation of eight regional water services boards responsible for the economical and efficient provision of water services in their areas of jurisdiction. The water services boards operate under a license issued by the regulator which has set clear targets towards the attainment of universal access. In order to meet the conditions of the license and by extension the national targets, the water services boards have to develop clear strategies to support the delivery of their mandate. Tana water services board being of the eight WSBs has developed strategies to realize national accessibility to water targets within its area of jurisdiction. Despite these strategies being in place, the performance of the water services board has not matched the targets set in the national policy documents. This hinders the desire to achieve the universal access.

The main objective of this project was to examine the factors influencing the implementation of the national accessibility to water strategy within Tana water services board.

The research design that was adopted was a case study and entailed assessing the factors influencing the national accessibility to water strategy within Tana water services board.

The study used an interview guide to collect primary data from Tana water services board. Data collection involved interviewing the top managers within the board responsible for strategy implementation.

The study found that top managers influence strategy implementation at the board by setting annual performance targets that are based on the strategic plan. It further revealed that organizational culture affects the strategic implementation at the board as employees are oriented on how operations are undertaken.

The study also found that communication affects strategy implementation at Tana WSB in that if it is handled well it positively affects strategy implementation at all levels.

The study therefore recommends that for successful implementation of strategy, emphasis should be placed on top management. This is critical as top management offer support to the strategic missions of the board.

The study also recommends that for Tana Water Services Board to be successful in implementing its strategies there is need to address the level of participation of personnel in organizational communication.

The study further recommends that since innovativeness affects strategy implementation, the institution should refocus its innovative practices effectively to realize best results in strategy implementation.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The earliest form of strategic planning has been attributed to the military as far back as the ancient Greek. In fact the root of 'strategy' goes back before Macedonia's eras, when Greeks were compelled by Alexander and his father during the battle of the Jhelum. Strategic planning then evolved as a management tool which allowed organizations to develop and implement plans in order to meet the challenges from the external environmental while at the same time ensuring both organizational survival and a competitive advantage (Forest & Kinser, 2002).

Strategy has been defined as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and fulfill stakeholders' expectations (Johnson and Scholes, 2002).

Strategy has also been viewed as the common thread among organization's activities and its product markets (Ansoff, 1988). Mintzeberg et al (2002), looked at strategy as the pattern or plan that integrates organization's major goals, policies and actions into a cohesive whole. A well formulated strategy helps an organization to marshal and allocate its resources into a unique and viable posture based on its relative internal competences and shortcomings, anticipated changes in the environment and contingent moves by competitors.

Strategic management process centers on the belief that a firm's mission can best be achieved through a systematic and comprehensive assessment of both internal capabilities and external environment. Subsequent evaluation of the firm's opportunities leads, in turn, to the long-term objectives and grand strategies and ultimately to the annual objectives and operating strategies, which must be implemented, monitored and controlled.

Drucker (1959) introduced the idea of matching the organization's internal factors with external environmental circumstances. This core idea was developed into what is now referred to as SWOT analysis by Andrews (1971) and others at the Harvard Business School General Management Group. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment. According to Drucker (1959), the procedure of setting objectives and monitoring your progress towards them should permeate the entire organization, top to bottom.

Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and enhance it. The difference between a firm and its competitors are the basis of its advantage. The objective is to enlarge the scope of the advantage, which can only happen at some other firm's expense (Clayton, 1997).

Strategy development is therefore a multidimensional process that must involve rational analysis and intuition, experience, and emotion. Equally important, a strategy serves as a vehicle for achieving consistent decision making across different departments and individuals. Hambrick and Cannella (1989) view organizations as composed of many

individuals all of whom are engaged in making decisions that must be coordinated. The shift of responsibility of strategic planning from corporate planning departments to line departments are part of this increased emphasis on strategic planning as a process for achieving coordination and consensus within companies (Chakravarthy and White, 2001).

Equally important, a strategy serves as a vehicle for achieving consistent decision making across different departments and individuals. Hambrick and Cannella (1989) view organizations as composed of many individuals all of whom are engaged in making decisions that must be coordinated. For strategy to provide such coordination it requires that the strategy process act as a communication mechanism within the firm. Such a role is increasingly recognized in the strategic planning processes of large companies. The shift of responsibility of strategic planning from corporate planning departments to line are part of this increased emphasis on strategic planning as a process for achieving coordination and consensus within companies (Chakravarthy and White, 2001).

Tana water services board is one of eight water services boards in Kenya established as a result of the reforms in the Kenyan water sector. The boards are responsible for the efficient, economical and efficient provision of water services in their areas of jurisdictions (Water Act, 2002). Tana water services board covers the counties of Muranga, Kirinyaga, Embu, Meru and Tharaka Nithi. The total area covered by the Board is 19,169Km², of which approximately 40% is arid or semi arid. The board has an estimated population of 4.2million (2009 census), 80% of whom live in the rural areas. Under the license issued by the Water Services Regulatory board in 2007, it is estimated that the coverage levels within the board area is at 46%. This places enormous challenges

on the board if it has to realize the national targets of access of above 80% (National Water Services Strategy, 2007) by 2015.

1.1.1 Strategy Implementation

Strategy implementation involves establishing a chain of command or organizational structure while allocating sufficient financial resources, personnel and time. It involves assigning responsibility of specific tasks or processes to specific individuals or groups and also managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary. Strategy formation and implementation is dynamic an on-going, never-ending, integrated process requiring continuous reassessment and reformation (Olson et al. 2005). It involves a complex pattern of actions and reactions. It is partially planned and partially unplanned. Strategic management operates on several time scales. Short term strategies involve planning and managing for the present. Long term strategies involve preparing for and pre-empting the future (Balogun and Johnson, 2004).

In most corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest and applies to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies. Functional strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, and information technology management strategies (Chebat, 1999).

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered themselves according to processes or strategic business units (SBU). Operational level strategy was encouraged by Drucker (1954) in his theory of Management by Objectives (MBO). Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies.

It has been noted that almost all the management functions of planning, organizing, staffing, directing, controlling and leading are in some degree applied in the implementation process (Simons and Thompson, 1998). Hendry and Kiel (2004) also point out that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients. There should be specific interim or ultimate time-based measurements to be achieved by implementing strategies in pursuit of the company's objectives. The implementation activities are in fact related closely to one another and decisions about each are usually made simultaneously.

Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning. Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al., 2005). However, as strategy implementation is both a multifaceted and complex organizational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

Successful strategy implementation can go a long way in helping a company gain a competitive edge and also help in defining the business of the organization and therefore achieving long term direction. The company also benefits by having its various strategies entrenched and broadly accepted by all the employees guaranteeing successful implementation in the future.

1.1.2 Water Services Provision in Kenya

Water services refer to the provision of water and sewerage services (Water Act 2002). Globally, the provision of water services is a natural monopoly in that it impractical, expensive and unnecessary to have more than one service provider in one delineated area. As a result there is usually no competition in the market for its provision. Despite this market structure, Governments the world over have a goal of ensuring a more efficient, more cost effective, more accountable and more responsive utility service provision. In Kenya, the National Water Services Strategy (2007-2015) has the goal of increasing sustainable access to safe water to 80% by 2015. It is however estimated that currently only 52% of the population has access to water (Impact, 2011). Majority of the served population reside in the urban areas. According to the same report board this level further drop down to 46% in the area covered by Tana water services board. It will also be noted that level of access is not uniform throughout the board area and ranges from an average of 80% within the Nyeri county to a low of 30% within the county of Tharaka Nithi.

1.1.3 Tana Water Services Board

Kenya faces serious challenges with regard to provision of water. Despite the increased investments provided in the past years by the government and development partners, existing facilities have continued to deteriorate and fail to meet the demand of increasing

population (NWSS 2007-2015). On the other hand, the exponential growth of Kenya's urban centres continues to put increasing pressure on utilities to extend services to new areas. In order to tackle institutional and operational weaknesses the government through the Ministry of Water and Irrigation commenced water reforms provided for in the Water Act 2002. The overarching philosophy of the reforms was to improve services and enhance customer focus. This philosophy necessitated a shift in service provision framework which has seen the creation of corporatized entities to provide services. Within the water supply and sewerage development component assets ownership, Services provision, regulation and policy formulation were further separated.

The eight regional water services boards are a creation of the reforms and are responsible for the economic and efficient provision of water services. The boards have a role of incrementally improving access to water services in order to realize the national targets in the NWSS. The role of the WSBs is exercised through the appointment of agents known as Water Service Providers (WSPs) and currently 100 of these have been contracted nationwide with 23 of these under the area of Tana WSB. The water services providers are companies registered under the Companies Act Chapter 486 and sign Service Provision Agreements (SPAs) with the water boards, indicating the minimum service levels which must be attained.

It is estimated that the population growth rate within the Tana region is 2.49% (National Housing and Population Census, 2009). Considering the current coverage levels of 46%, within the board would be required increase coverage by 34 percentage points by 2015 to reach the national targets.

1.2 Research Problem

The inclusion of right to water under the “Bill of Rights” in the Constitution of Kenya (2010) means that every Kenyan should have access to a regular supply of adequate safe water to lead a dignified life. This access means that water services has become a legal entitlement and not a commodity or service provided on a charitable basis and that basic and improved levels of water service should be accelerated. In this regard consumers are likely to become more demanding, putting more pressure on service providers, and consequently making the work of the water services boards more challenging. The Water services boards are expected to develop and implement strategies that will assist in the realization of this demand and ensure service provision commitments by the utilities are developed and adhered to. The regulator for water services (Wasreb) is expected to provide independent monitoring and enforcement. Wasreb is required to report on an annual basis the progress made nationally in increasing access to water services and to provide advice to the Ministry of Water and Irrigation on areas of policy and legislation that will improve access to water services.

According to Impact (2011), all the eight water services boards have developed and implemented strategies on meeting their obligations on the attainment of the national targets on accessibility. It is noted that the Government of Kenya introduced strategic planning by its agencies through the implementation of performance contracting. The variation of performance of these entities may be attributed to the implementation of the formulated strategies.

The success or failure of strategies is linked, to a great measure to how they are implemented (Argyris, 1989; Hambrick & Canella, 1989; Reed & Buckley, 1991; Stalk

& Lachenauer, 2004). Poor implementation can make sound strategic decisions ineffective, while successful implementation can make a doubtful strategic choice successful (Andrews, 1980).

Locally, various studies have been done on strategy implementation e.g. Nyokabi (2008) did a study on Strategy implementation in Kenya Commercial Board, Njiru (2007) conducted a study on the use of balance scorecard in strategy implementation by quoted companies in the NSE while Tai (2007) did a study on strategy implementation in Kenya Ports Authority.

The role Tana water services board is very crucial in the attainment of the national accessibility to water targets. The board has to meet its target of increasing coverage by 34 percentage point by 2015 for Kenya to meet the national targets on access. Although the board has developed clear strategies on improving access, the levels still remain very low. The low success rate of intended strategies may be attributed to challenges in strategy implementation. This study therefore seeks to find out “What factors influence the implementation of the national accessibility to water strategy by Tana water services board?”

1.3 Research Objective

The objective of this study is to determine the factors influencing the implementation of the national accessibility to water strategy by Tana water services board.

1.4 Value of the study

This study would be beneficial to academicians as this would form the basis of future researches of the same nature as well as providing reference material on issues challenges to strategy implementation in water provision.

To the industry, the right to water is now a legal entitlement and not a commodity or service provided on a charitable basis and WSBs have to work to incrementally realize this obligation. This study will be important not only to Tana water services board in assessing the factors that influence the implementation of the national accessibility to water strategy but also to the government in tracking its obligations of improving access. It would help provide useful insights on underlying factors that influence strategy implementation in the water services boards. To managers in other industries, it will help them understand the effects of strategy implementation on the overall performance of their organizations. In the specific case of managers within Tana water services board, the study would be critical in the formulation of strategies to deal with challenges in implementation of already formulated strategies. Furthermore, It would help them in coming up with strategies on improving institutional capacities of the water companies in order to enhance performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the existing literature on factors affecting strategy implementation in organizations. The specific areas covered here are theoretical foundation, conceptual framework and empirical review.

2.2 Theoretical Foundation

At the firm level, existing research has observed that the effective relationship between strategy and structure is a necessary precondition to the successful implementation of new business strategies (Drazin and Howard, 1984., Olson et al, 2005; Miller et al., 2004). Furthermore, a match between appropriate administrative mechanisms and strategy has been found to reduce uncertainty within the firm and increase effectiveness in strategy implementation. The relevant literature (Noble 1999; and Mokwas, 1999) has advocated factors that influence the effective implementation of strategies, for example; organizational structure (Drazin and Howard, 1984); control mechanisms (Daft and Mackintosh, 1984; Jaworski et al., 1993); strategic consensus (Floyd and Wooldridge, 1992); leadership (Gupta and Govindarajan, 1984; Nutt, 1983); and communication (Workman, 1993). However, prior research has neglected to ascertain whether the “style” of strategy implementation undertaken has any impact on the effectiveness of the implementation effort.

Mintzberg (1993) proposed that firms differ in terms of their structure and that theory should move away from the “one best way” approach towards a contingency approach, in

that structure should reflect the firm's situation and strategies. The flow of information is influenced by the structure of a firm and the context and nature of interpersonal interaction within it. Structure also channels collaboration, prescribes means of communication and co-ordination as well as allocating power and responsibility (Miller, 1987). Traditionally, firms have addressed these basic needs for coordination and cooperation by hierarchical configurations (Grant, 2002), with centralized decision-making, strict adherence to formally prescribed rules and procedures and carefully constructed roles and relationships. Others, due to the unpopularity of bureaucracy in large firms, started a movement toward de-layering hierarchies (Homburg et al., 2000; Workman et al., 1998). Downsizing has resulted in the roles of employees altering dramatically as structure is re-engineered (Balogun, 2003). These firms are characterized by decentralized decision-making, small senior executive teams and an emphasis on horizontal rather than vertical communication (Webster, 1992).

With firms evolving in terms of structure it follows that the style of strategy implementation will differ depending on the style of organization and management that exists in the firm. In general terms, Nutt (1983, 1986, 1995) and Gupta and Govindarajan (1984) find that types of leadership style can play a critical role in overcoming barriers to implementation. Recently Redding and Catalanello (1994), and Moorman and Miner (1998) proposed an improvisational approach to implementing strategic change in an organization. These studies, however, have focused attention entirely at the organizational or functional unit level to the detriment of a more micro-manager level focus. This progressive study seeks to explore this issue, by proposing taxonomy of implementation styles and focusing attention on the role of those bestowed with the

duties of implementation within large firms, the mid-level managers.

Strategic typologies are becoming ever popular in researching strategy (Speed, 1993). Taxonomy, the classifying of phenomena and the explanation of the classification used, facilitates the development of our knowledge (Galbraith and Schendel, 1983). Taxonomic approaches have become commonplace in marketing theory and in the study of strategy especially. The majority of existing taxonomy models in strategy implementation tends to be normative in nature (Parsa, 1999). Alternatively, they are developed from organizational observation, and as such, become context specific and frequently lack any broader theoretical grounding (Hooley et al., 1992). In contrast, Bourgeois and Brodwin's (1984) model is comprehensive, based on specific theoretical assumptions and has been used by authors such as Parsa (1999). Bourgeois and Brodwin (1984) to refute the traditional approach to strategy implementation as simply an adjunct to the strategy formulation phase of the strategy process. Rather, they contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

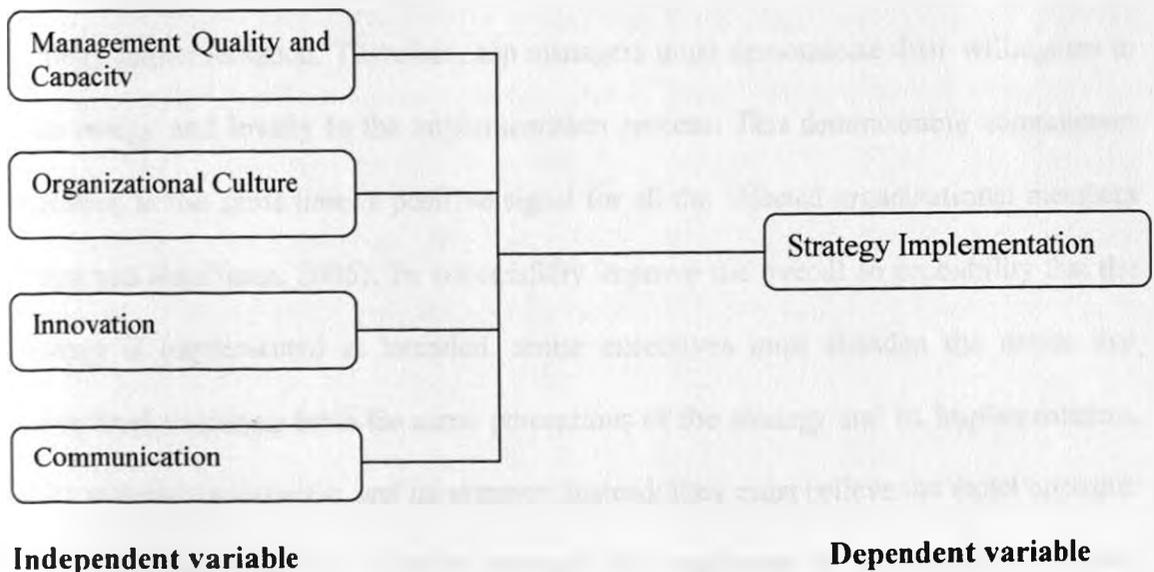
Co-evolutionary theory (Lewin and Volberda, 1999) indicates that as firms grow and evolve from small to larger and multidivisional organizations, the strategy implementation methods also evolve simultaneously. The various strategy implementation models described by Bourgeois and Brodwin (1984) are meant to meet the changing needs of firms as they evolve through various stages of the organizational life cycle (Parsa, 1999).

2.3 Conceptual Framework

Kenya is a water-challenged country, with a variety of hydrological, geographic and demographic conditions faced in the commercial provision of water. Despite this the country has made tremendous strides towards sustainable water provision since 2002, when the sector was restructured under a new Water Act. There is evidence of increased acceptance that water should have a price, though this is still not a universal view.

Kenya's development blueprint, Vision 2030 stresses the goal of ensuring adequate water and sanitation as a primary driver of other sectors. The strategy to achieve this goal is by enhancing the performance of utilities to increase supply in all urban areas and expanding rural water supplies and increase sewerage coverage and this should be underpinned by an effective institutional framework. However the performance of the utilities has been affected by the following factors in the implementation of the strategies as indicated below:

2.3 Conceptual Framework



2.4 Empirical Review

2.4.1 Effect of Management Quality and Capacity on Strategy Implementation

The fatal problem with strategy implementation is the de facto success rate of intended strategies. Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. This can be documented by the focus on strategy formulation in strategic management literature. To resolve this, strategic management should accomplish its very own shift of emphasis by moving from a 90:10 concern with strategy formulation relative to implementation to a minimum 50:50 proportion with each (Grundy, 1998). To overcome and improve the difficulties in the implementation context, Rapa and Kauffman (2005) compiled the following checklist of ten critical points.

The most important thing when implementing a strategy is the top management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Rapa and Kauffman, 2005). To successfully improve the overall so probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas (Rapa and Kauffman, 2005).

Strategy implementation is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rapa and Kauffman, 2005).

Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in strategy formulation. When they are, however, the probability for realizing a smooth targeted and accepted strategy implementation process increases substantially. Research studies indicate that less than 5 percent of typical workforces understand their organization's strategy (Kaplan and Norton, 2001). This is a disturbing statistic as it is generally believed that, without understanding the general course of strategy, employees cannot effectively contribute to a strategy implementation. To involve employees is an important milestone to make strategy everyone's everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. The involvement of middle level managers helps to build consensus for the strategy. A lack in strategic consensus can limit a company's ability to concentrate its efforts on achieving a unified set of goals.

2.3.2 Organizational Structure and Strategy Implementation

Organizational structure is the formal pattern of interactions and coordination developed to link individuals to their jobs and jobs to departments. It also involves the interactions between individuals and departments within the organization. Current research supports

the idea that strategies may be more successful when supported with structure consistent with the new strategic direction (Cooke and Szumal, 2000). Organizational Structure is different in each business and is key to strategy implementation. Olson et al. (2005) mention that organizational structure (such as formalization, centralization, specialization, and integration) is a critical component of strategy implementation (Tan, 2001). Consequently, a suitable structure of an organization may have influence on organizational innovation. Then it brings about to superior organizational performance.

Every organization has a unique structure. An organizational structure is a reflection of the company's past history, reporting relationships and internal politics. A culture of employee empowerment opens up many more opportunities for employees to exercise creativity, flexibility and autonomy on the job. This is believed to have a beneficial effect on employee self-esteem, and employees who feel better about themselves will be better prepared to serve. Research indicates that empowerment programs have worked in selected companies (Breeding, 1996). For example, at GE-Auburn after organizing its entire workforce into 61 self-directed work teams productivity improved by 115 percent, customer rejections fell by 35 percent and the cycle time shrank by 90 percent. In addition, worker compensation costs fell from \$1 million to \$25,000 over a five year period (Miller, 1995). However, it is important to understand that the cost associated with implementing these programs is often significant. These costs included the increased investment in selection and training, high labour costs, inconsistent service delivery, give-aways and bad decisions. Even though there are substantial results when empowerment is successful, a recent survey conducted by researchers at the University of Southern California suggests that many organizations are ignoring the benefits. The

survey found that only 10 percent of employees in Fortune 1000 companies are truly empowered (Johnson and Thurston, 1997).

Successful application of empowerment depends on management commitment and continual communication of information (Randolph, 1995). Organizations successfully implementing appropriate empowerment programs benefit from a quicker response to customer needs, a quicker response to dissatisfied customers, employees who feel better about their job, and an increase in employee improved service ideas (Bowen and Lawler, 1992). Corporate culture and transformational leadership have been theoretically and empirically linked to organizational effectiveness. During the 1990s a number of comparative studies on the culture-strategy implementation link showed that certain culture orientations are conducive to strategy implementation (Kotter and Heskett, 1992). As far as transformational leadership is concerned, Nemeth (1997) has suggested that transformational qualities lead to strategy implementation beyond expectations in organizational settings; research has empirically demonstrated that there is a relation between transformational attributes and organizational measures of effectiveness (Howell and Avolio, 1993).

Although a considerable number of researchers have argued that there is a constant interplay between organizational culture and leadership (Schein, 1992), there are limited empirical studies examining the relation between leadership and culture as well as their joint effect on important organizational outcomes. This study set out to investigate whether there is an interrelation between transformational leadership and organizational culture, and both leadership and culture have a joint effect on important organizational outcomes. In other words, the question attempts to address concerns on the effect of

transformational leadership on the cultural orientations that characterize a specific organization, as well as the combined effect of transformational leadership and culture on strategy implementation.

In order to investigate the interrelation between leadership and culture, as well as their joint effect on strategy implementation, the study primarily reviews the literature on the culture-strategy implementation link to identify the culture dimensions that should be included in this study. Denison and his colleagues (Denison, 1990; Denison et al., 2004) have developed and empirically supported a theory of organizational culture and effectiveness that identifies four cultural traits that are positively related to organizational strategy implementation, namely involvement and participation, consistency and normative integration, adaptability, and mission. In addition, Cooke and his associates (Cooke and Szumal, 2000) have demonstrated that efficient, as well as innovative, organizations have group norms that promote achievement, self-actualization, participation in decision making, cooperation, social support, and constructive interpersonal relations. One has to note that Cooke's model proposes that organizational culture is conducive to effectiveness given that a humanistic orientation is combined with an achievement orientation.

2.4.3 Innovativeness and Strategy Implementation

Technology innovation is of vital importance for firms to survive and develop in a market under intense competition. A firm's decision-making of technology innovation strategy involves two phases. Firstly, a firm decides whether to innovate. With the influence of market structure, scale, intensity of competition, and other factors, different firms show clear distinctions in their motivation to innovate; many researches have centered on this

(Ye and Qiu, 2004). Secondly, if a firm chooses to innovate, it has to decide how to organize its innovation. The specific definition of technology innovation strategy equals the second phase of this decision-making, that is, the choice over innovation path.

Drucker (1958) and probably even someone before him – distinguished between doing the right things and doing things right. When it comes to strategic management, we can reformulate this distinction to, on the one hand, market the right products/services on the right markets and, on the other hand, develop, produce, and distribute the products/services in the right way. It is intuitively clear that a company needs to focus on both issues in the long run while at the same time maintaining a dual focus on business development and operational effectiveness. The foundation for our work on strategic innovation is that we think of strategy as: Change of the position of the company in the market place at the same time as exploiting the current position. The environment consists of both present and potential customers as well as a large number of different players, i.e. it is the entire environment of the company that needs to be taken into account in strategic management.

The company itself should be seen as a holistic entity consisting of business and resources. This means that the strengths and weaknesses of the company should be described in the language of “bundles of resources” or competencies rather than departments or functional units. In consequence, the potential of the existing resources to create value end different market places than the current one (while still creating value in the current situation!) becomes an important consideration in strategic management. One may speak of a competence readiness that the company possesses and is able to apply by reorienting its business foundation towards new market places, i.e. strategic innovation.

As argued before, e.g. by Levitt (1960) in his seminal paper “Marketing myopia”, companies should define their business in a much broader sense than by simply looking at current products. Any business fulfills a number of needs and wants of its customers and can act strategically with much more than its current products. Hence, we may define a business as the combination of a business idea, a business concept, and a business system.

Organizations need to be more innovative and think proactively in their strategic management. At least, this has rapidly become the mantra of the new decade among managers and in academia. The well-known work on innovation and technology management has gained newfound or perhaps re-found respectability and has begun to influence the way we think about strategic management as a discipline (Drejer, 2002). On top of that, a new set of publications has begun to emerge. These publications take their starting-point in the strategic realm rather than the innovation realm and, hence, focus on strategy and innovation or strategic innovation. For a recent example of such a fashionable publication are Johnston and Bate (2003). This and other similar books – and the thinking behind strategic innovation as a concept – is based on three pillars (Drejer and Printz, 2004). First is the recognition by many that strategic managers need to consider both strategies for tomorrow and strategy for today in order to stay successful over time. This is now state-of-the-art knowledge within the field of strategic management – following the work of people such as Hamel and Prahalad (1994) and the 1996 acknowledgement of Porter (1996) that strategy needs to consider both operational effectiveness and differentiation.

2.4.4 Communication and Strategy Implementation

Forman and Argenti (2005) rightly note that, “although an entire discipline is devoted to the study of organizational strategy, including strategy implementation; little attention has been given to the links between communication and strategy.” At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a simplistic one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. It is recommended that an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to soliciting questions and feedback, the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason (“the why”) behind changed circumstances (Alexander, 1985).

It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. However, one may not misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces active participants in the change process. The way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees’ attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components (Rapa and Kauffman, 2005). Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure (Rapa and Kauffman, 2005).

It is of great importance to integrate soft facts as well in the reflection of the implementation process. It is the consideration of soft and hard facts together that ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities (Rapa and Kauffman, 2005). One of the reasons why strategy implementation processes frequently result in difficult and complex problems – or even fail at all – is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units (Rapa and Kauffman, 2005).

Cross-functional relations are representative of an implementation effort. This is indeed a challenge, because as already mentioned before organizational members tend to think only in their “own” department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation (Rapa and Kauffman, 2005). To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation

activities. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2005).

The study of Schaap (2006), which was conducted in the casino industry within the state of Nevada, shows that over 38 percent of the senior-level leaders do not communicate the company's direction and business strategy to all of their subordinates. This study also reinforces findings that frequent communication up and down in organization enhances strategic consensus through the fostering of shared attitudes and values.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in the collection, measurement and analysis of data. Specifically the section will look at research design, data collection and data analysis.

3.2 Research Design

Research design is the scheme, outline or plan that is used to generate answers to research problems (Creswell, 2003). Dooley (2007) notes that a research design is the structure of the research, that holds all the elements in a research project together. In this study the research design that was employed was a case study. Case study was selected because the study focuses on the organization as the sole unit of analysis. The study entailed examining the variables that influence implementation of the national accessibility to water strategy within Tana water services board.

3.3 Data Collection

There are varied data collection methods and the method selected largely determines how the data are collected. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results (Ngechu, 2004). This is because each tool and instrument collects specific data. Donald (2006) notes that there are two major sources of data used by respondents' primary and secondary data. Primary data is information gathered directly from respondents. This research collected mainly primary data from the Tana water

services board. This was done through the use of an interview guide attached in Appendix II. This approach targeted senior managers within Tana water services board who are responsible for strategy implementation. The study also used secondary data to obtained from Ministry of Water and Irrigation head office (Maji House) and the Water services Regulatory Board office libraries.

Librarians were requested to facilitate accessibility to the data relating to performance of utilities such as performance reports in sector.

3.4 Data Analysis

The research generated qualitative data which was subjected to content analysis. According to Baulcomb, (2003), content analysis uses a set of categorization for making valid and replicable inferences from data to their context.

The use of content analysis was for the purpose of getting more in depth and to provide rich description.

The research exercised care and control to ensure all questionnaires issued to the respondents are received. To achieve this, the research maintained a register of questionnaires, that was sent, and those that was received.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and discussion of the data collected. It presents analysis and findings of the study as set out in the research methodology on the factors that influence strategy implementation on attainment of the national accessibility to water strategy within Tana water services board. The data was gathered using an interview guide as the research instrument with the respondents being the managers responsible for strategy implementation within the board. The interview questions were designed in line with the objective of the study.

4.2 Background information

The interviewees of this study comprised of the Chief Executive Officer, Head of Finance and Administration, Head of Technical and the Head of Strategy and Planning within Tana water services board. All of them have been working with board for more than 4 years. In terms of education, two had Masters Degrees while two had Bachelor's degree.

4.3 Organization structure and Strategic Implementation

The interviewees were required to indicate the strategic level at which Tana water services board faces the greatest challenge among the four levels of strategy namely corporate, Business, Functional and Operational. Majority of the interviewees indicated that the firm faces the greatest challenge at the corporate and business levels of strategy implementation. It was explained that this was because of the overdependence on government financial support and therefore not embracing commercialization for

financial independence through business strategy. They further explained that these strategies are not very well defined because of the lack of a cohesive relationship between the two divides of technical and finance/business. The perspectives of the two are at cross roads and therefore do not work towards harnessing an ideal corporate strategy.

4.3.1 Role of Top Management in Strategic Implementation

The interviewees were required to indicate whether top management's skills and capacity affect the strategic implementation at the board. All the interviewees indicated that indeed top management's skills and capacity affect the strategy implementation at the board. They explained that the board being significantly technical, it may be biased in technical aspects to the extent the top managers possesses formal technical skills while the support staff possess absolute skills (in finance, accounts etc) without a better understanding of the technical skills. To that extent therefore it takes long for a one sided skill to understand the plight and interest of the other. This has ramification in decision taking to spearhead the appropriate strategies. The Board Members that appoint the top management value public sector (government) experience which breeds inhibitive bureaucracies in the management of institutions.

The study sought to establish how the top managers influence the strategy implementation process at the board. From the results, the top managers influence strategy implementation process of board by setting annual performance targets that are based on the strategic plan. The interviewees indicated that the top management is actively involved in asserting authority and articulation of interests in their respective departments, arguing the course for fulfillment of external obligations (regulations, PCs

and statutory among others), consultations and consensus building.

4.3.2 Organizational Culture and Strategy Implementation

The interviewees were required to indicate whether organizational culture affects the strategic implementation at the board. All the interviewees unanimously agreed. They explained that organizational culture affects the strategic implementation at the Board because the “new entrants” that is the employees and suppliers are oriented on how operations are undertaken and thus being influenced to adopt the same culture in order to survive. The organization is naturally technical while strategy implementation is resource based. Those who influence a great deal of the strategy implementation are finance managers who significantly do not seem to fully understand and appreciate technical strategies and hence the challenge in implementing these strategies at the operational level. The interviewees further reiterated that the greatest challenge considering the four levels is the operational level of strategy implementation.

The study further sought to establish the respondents' view on how the understanding of strategy affects strategy implementation. The interviewees indicated that understanding the strategy translates to effective implementation and the process of unbundling the strategies. They also recapped that understanding of strategy affects strategy implementation because it influences the organizational practices. They explained that considering the four levels, the board faces the greatest challenge at the corporate level.

4.3.3 Innovativeness and Strategy Implementation

The interviewees were asked to indicate whether the decision making by managers affect strategic implementation at the board. All the respondents agreed with the statement and indicated that the greatest challenge is experienced at the corporate level. They further

explained that the firm faces the greatest challenge in the unbundling of the less understood corporate strategy to the functional and business strategies. On the same the interviewees reiterated that challenges are experienced when finance managers less understand technical strategies and vice versa. This has led to non convergence of the technical and financial strategies.

The study sought to establish how the conscious and unconscious symbolic acts taken by leaders (such as job titles, dress codes, corporate jets, informal meetings with employees) affect strategic implementation at the board. The interviewees pointed out that leaders may be conscious in their symbolic acts but their subordinates in certain cases act mechanically and have to be moved without consciousness which is unfortunate hence negatively affecting strategy implementation. As such the challenge would therefore be greatest at the operational level but partially at the functional level particularly for those whose mindset has not changed a great deal due to the environment prevailing from an incomplete transfer plan.

The interviewees were required to indicate how innovativeness affects strategy implementation at Tana WSB. From the findings innovativeness, has a favourable effect on strategy implementation at board. This results from different understanding of the effective and efficient realization of objectives of the organization.

4.3.4 Communication and Strategy Implementation

The study sought to establish how communication affects strategy implementation at Tana WSB. The interviewees indicated that if strategy is well communicated it positively affects strategy implementation at all levels but its reception by the subjects is what makes a difference. Communication is also found to affect strategy implementation at

Tana WSB by ensuring a clear understanding of the Board's expectations/plans and how best to accomplish them in order to attain the vision and mission of the organization.

The study sought to ascertain how the creation and sharing organizational goals influences strategy implementation at Tana WSB. The interviewees reiterated that relation and sharing organizational goals influences strategy implementation at Tana WSB positively. Tana WSB has involved her agents namely the Water Service Providers (WSPs) in creating her goals during strategic plan development. The plan has also been shared with the WSPs as they develop their such that the strategies implementation by Tana WSB is accelerated by the remote implementation of some of the aspects by the WSPs themselves. This is attained through simplifying, understanding and devising practicable means of attaining the organizational goals.

4.3.5 Employee Participation in Strategy Implementation

The interviewees were required to indicate the ways in which allowing employee participation in making strategic-related decisions impact on strategy implementation. The respondents indicated that this enhances ownership of the strategies by the employees and therefore do not see the strategies as foreign. The study further found that employee participation in making strategic-related decisions impact on strategy implementation by creating ownership and allowing brilliant innovative ideas to enhance decision making and performance excellence. They also become drivers of the entire processes of the implementation of the strategies.

Interviewees' position as a role model was underscored in the study. Specifically, it was established that it impacts on in strategy implementation; the study found that the interviewees believe in leading by example and some of the strategies are domiciled

within their division and therefore solely responsible for them. The interviewees indicated that their positions as role models impact on strategy implementation by offering the required leadership and guidance in understating the strategic theme of the Board and developing simple practical solutions as a means of enabling strategy implementation. They are multi-skilled with a good understanding and appreciation of both technical and business/financial aspects hence able to articulate and drive the strategies articulately. In addition being responsible for WSPs, they are able to propagate strategy formulation at the WSPs level while in essence extending Tana WSB direct strategies implementation albeit remotely which is prudent.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objective of the study. The objective of this study was to determine the factors influencing the implementation of the national accessibility to water strategy by Tana water services board.

5.2 Summary of the Findings

The study found that Tana Water Services Board faces the greatest challenge at the corporate and business levels of strategy implementation due to the overdependence on government financial support, leading to lack of focus on the commercialization/business ideas for financial independence. The study also established that the strategies are not well defined because of a gap existing between the two divides of technical and finance/business.

The study further found that top management's skills and capacity affect the strategic implementation at the Tana Water Services Board. This is due to the fact that top management possesses formal technical skills while the support staff possesses absolute skills without a better understanding of the technical skills. The top managers influence strategy implementation process of Tana Water Services Board by setting annual performance targets that are based on the strategic plan. In addition the top management is actively involved in the articulation of issues and interests in their respective departments and arguing the course for fulfillment of external obligations and consensus

building.

The study also found that organizational culture affects the strategic implementation at the board. The employees are oriented on how operations are undertaken. Strategy implementation in the organization which is naturally technical is resource based. Finance managers have a great deal of influence on strategy implementation although they do not seem to fully understand and appreciate technical strategies. This is critical since understanding the strategy translates to their effective implementation.

It was further established that decision making by managers affect strategic implementation at the organization. The conscious and unconscious symbolic acts of the leaders are taken by leaders to be prestigious since they are considered as defining status. As regards innovativeness, the varied approaches by individuals to realizing set objectives positively affect strategy implementation at the board.

The study also found that communication when well handled positively affects strategy implementation at all levels. This also applies to the formulation and sharing of organizational goals which is attained through simplifying and devising practicable means of attaining the organizational goals.

Employee participation was also found to impact strategy implementation. Participation enhances ownership of the strategies by the employees thus creating ownership and allowing brilliant innovative ideas to enhance decision making and performance excellence. The managements' position as role models impact on strategy implementation through the provision of the required leadership and guidance in understating the strategic thrust of the board and by developing simple practical solutions as a means of realizing the desired strategies.

5.3 Conclusions

The study concludes that such organizations are faced with a challenge at the corporate and business levels of strategy due to the overdependence on government financial support. There is a lack of singleness of purpose because of an existing gap between the two divides of technical and finance/business.

The study also concludes that top management's skills and capacity affect strategy implementation at the board. This influence is through the setting of annual performance targets that are based on the strategic plan of the board.

The study further concludes that organizational culture affects strategy implementation. It was noted that the conscious and unconscious symbolic acts taken by leaders as well as their decisions greatly impact on strategy implementation at the board.

The study finally concludes that communication affects strategy implementation. A well structured organizational communication positively affects strategy implementation at all levels. This is realized through the creation and sharing organizational goals as well as simplifying and devising practicable means of attaining the organizational goals. This enhances employee participation by ensuring ownership of the decisions and thus allowing innovative ideas to thrive.

5.4 Recommendations

From the findings and conclusions, it is clear top that management capacity and support affects strategy implementation on attainment of the national accessibility to water strategy within Tana water services board. The study therefore recommends that emphasis should be placed on the top for the board to effectively implement intended strategies. This would involve top management offering support to the strategic planning

process by designing long term plans through their ability to forecast into the future. As such, the leaders must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed.

The study also recommends that for the Tana Water Services Board to be successful in implementing their strategies there is need to address the level of participation of personnel in organizational communication, clarity of duties, responsibilities and authorities, degree of structural flexibility in terms of adopting change, extent of coordination, degree to which authority is delegated and appreciation of strategy implementation process.

The study further recommends that since innovativeness affects strategy implementation on attainment of the national accessibility to water strategy within Tana water services board, the institution should refocus its innovative practices effectively to realize best results in strategy implementation. It should focus on the employee wellbeing at work since it promotes an innovative workforce capable of enhancing strategy implementation. This would take into consideration the flexibility of work arrangements, employee training and development as well as performance appraisal practices which would directly influence the strategic direction of the board.

The study finally recommends that Tana water services board should invest in employee participation training and development of staff as this will lead to achieving increased understanding of strategy implementation on attainment of the national accessibility to water strategy within Tana water services board as well as lead to the realization of the institutions goals and objectives.

5.5 Suggestions for Further Studies

This study has investigated the factors that affect strategy implementation on attainment of the national accessibility to water strategy within Tana water services board. The national accessibility to water strategy in Kenya however involves seven other water services boards spread across the entire country. These boards differ in their way of strategy management and implementation and have different settings all together. This warrants the need for another study which would ensure generalization of the study findings for all the national strategies in Kenya and hence pave way for new policies. It is therefore recommended that another study be done with an aim of investigating the factors influencing strategy implementation in on attainment of the national strategies within the other water services boards in Kenya.

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APPENDICES

Appendix I: Letter of Introduction

University of Nairobi

P.O BOX 30197 - 00100

NAIROBI.

To Whom it may Concern,

I am carrying out a study on “Factors influencing implementation of the national accessibility to water target strategies by the Tana Water Services Board”. This is in partial fulfillment of the requirements for the award of degree of master of Business Administration (MBA), School of business, University of Nairobi.

This is therefore to request you to allow me to interview senior managers in your institution on this subject. All the information given will be treated confidentially and for the purpose of the research only.

Thank you for your cooperation.

Yours Sincerely,

Richard Cheruiyot

Appendix II: Interview Guide

1. Which department do you work in?

- Finance and Administration
- Technical
- Legal Services

2. For how long have you worked for Tana WSB?

Less than 2 years	
2 – 4 years	
4 – 6 years	
Over 6 years	

3. What is your highest level of education?

Certificate	
Diploma	
Bachelors	
Masters	
PhD	

4. Taking the four levels of strategy namely corporate, Business, Functional and Operational, Where does Tana water services board face the greatest challenge and why?

5. Do you think top management's skills and capacity affect the strategic implementation at the board? Please explain.

6. How do top managers influence the strategy implementation process in your organization?
7. Do you think organizational culture affects the strategic implementation at the board? Briefly explain. If yes, where is the greatest challenge considering the four levels?
8. How does understanding of strategy affect strategy implementation? Where does the board face the greatest challenge considering the four levels?
9. Do you think decision making by managers affect strategic implementation at the board?

If yes, where is the greatest challenge considering the four levels?
10. How do the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, corporate jets, informal meetings with employees) affect strategic implementation at the board? Where is the greatest challenge considering the four levels?
11. How does innovativeness affect strategy implementation at Tana WSB?
12. How does communication affect strategy implementation at Tana WSB?
13. How does the creation and sharing organizational goals influence strategy implementation?
14. In what ways does allowing employee participation in making strategic-related decisions impact on strategy implementation?
15. How does your position as a role model impact on in strategy implementation?

THANK YOU