STAKEHOLDER PARTICIPATION IN STRATEGY FORMULATION AND IMPLEMENTATION IN CHILD DEVELOPMENT ORGANIZATIONS IN KILIFI COUNTY OF KENYA

BY

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DECLARATION

This Research proposal is my original work and has not been submitted for examination to any other University or College for the award of degree, diploma or certificate.

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This Research proposal has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

To my beloved grandmother, who saw my potential and inspired me to go for education at a tender age. To my beloved wife Nelly and children, Elsie and Declan who stood the test of time to bear with hours of my absence as I pursued education and always remained true to the values of family. I won't forget my parents for establishing values of education in me. May God bless you all.

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ABBREVIATIONS AND ACRONYMES

PESTEL- Political, Ecological, Social, Technological, Economic and Legal

SWOT- Strength, Weakness, Opportunities and Threats

ABSTRACT

Stakeholder participation is a key element to an organizations success that needs to be embraced by organizations. Every group or individual who is affected or affects an organization is a stakeholder and needs to be given an opportunity to participate in the affairs of the organization. This study was carried out to determine the extent of stakeholder participation in strategy formulation and implementation in child development organizations in Kilifi County. Existing literature was studied to provide more insight on the importance of strategies and also the various kinds of stakeholders and how to deal with them in the process of strategy formulation and implementation. Questionnaires were developed to collect primary data with an interview guide utilized to gather data from key informants to support data collected from senior managers of child development organizations working in Kilifi County. The data was edited, coded and analyzed to arrive at findings and conclusion of the study. The study utilized descriptive survey to carry out the research. A population of 15 out of 16 organizations was studied. The researcher found that the child development organizations carried out stakeholder participation in strategy formulation and implementation to a fair extent though strategy implementation took more involvement of stakeholders than strategy formulation. The organizations also faced time and cost constraints to involve stakeholders to participate fully in strategy formulation. The researcher further found that the primary beneficiaries had low understanding of the organizations' missions and expected outcomes. The researcher concluded that it is of great importance for the organizations to involve stakeholders right from strategy formulation, implementation and evaluation. The researcher highlighted time, respondents' busy schedules and biasness of stakeholders as major limitations of the study. The researcher recommended that the policy makers or in practice organizations need to set aside more funds and time to train the stakeholders on their missions and expected outcomes so that there will be more ownership and easy achievement of the organizations' intended outcomes.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Any individual or group who have stake or claim in an organization are called stakeholders as noted by Freeman (1984). They depend on the organization to fulfill their goals and the organization depends on them as well for its survival. The stakeholders influence the activities and strategies employed by the organization to achieve organizational goals. The influence by stakeholders depends on the interests or powers that they possess. Proper strategy development, formulation and implementation determine the organization's position in the market as well as its survival in the midst of challenging and competitive environment.

This study thus seeks to determine the extent to which different stakeholders are involved in formulating, developing and implementing strategies in child development organizations working in Kilifi County in Kenya, as well as identify which factors influence their involvements as stakeholders.

1.1.1 Strategy Formulation and Development

According to Pearce & Robin (1991), a strategy is a company's 'game plan' aimed at achieving company objectives. Johnson et al (2008) saw strategy 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 its stakeholder expectations.

Pearce & Robin (1991) explained that a strategic management is as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's

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objectives and further determine activities which have to be covered. These include formulation of the company's mission or purpose, developing company profile, reflecting its internal conditions and capabilities, assessment of company's external environment, analysis of the company's options, matching its resources with the external environment, identification of the most desirable options in relation with the company's mission, selection of long term objectives and strategies to help achieve most desired outcomes, development of annual or short term strategies that are compatible with the selected long term objectives, implementation of the strategic choices through budget and resource allocation matching activities with people, structures, technology and lastly evaluate the success of the strategic process as an input for future decision making. This in a nutshell is all what entails strategic management of an organization.

There are various levels of strategy formulation and implementation. Pearce & Robin (1991) identified the first level as; corporate level which is composed of board of directors and it gives an organization financial and non-financial directions. They determine the business in which the firm should be involved in. Johnson et al (2008) saw this level to be concerned with the overall purpose and scope of an organization and how value will be added to the different parts (Business Units) of the organization. Pearce & Robin (1991) identified the middle level or business level who translates the statements of direction and intent developed by corporate level into concrete objectives and strategies for individual business divisions. Business level strategy is about how to compete successfully in particular markets according to Johnson et al (2009) the last level is the functional level that now operationalizes the objectives selecting annual and short term operational objectives to enhance implementation as argued by Pearce & Robin (1991).

Johnson et al (2008) saw this level as the one concerned with how the component parts of an organization deliver effectively the corporate and business level strategies in terms of resources,

processes and people. In a summary, strategic formulation entails defining the company's mission or what the business is to do, assessing the external environment, the PESTEL approach, the internal analysis of the firm's SWOT analysis, formulation of long term objectives and grand strategies after thorough analysis. Strategy implementation on the other hand, entails implementation of strategy through business functions, setting long term goals per department, implementation of strategy through setting up supportive organization structure, leadership and culture to the achievement of the desired objectives, establishing good control mechanisms like policies and setting ways of evaluating progress towards achievement of set goals.

Richard (2009) defines strategic management as the identification of the purpose of the organization and plans and actions to achieve that purpose. This categorically summarizes all the arguments of Pearce & Robin (1991) as well as the arguments of, (Johnson et al 2008)

1.1.2 Stakeholder Participation

Nothing in the world of business is a constant. New changes come every day due to technological changes and the changing preferences and tests of the customers for both profit and nonprofit making organizations. Johnson et al (2008) saw stakeholders as those individuals or groups who depend on an organization to fulfill their own goals and whom in turn the organization depend on. Taylor and Sparkes (1977) argued that stakeholders define the political context of an organizational strategy implementation. Stakeholders theory suggest that an organization has obligation not only to its stakeholders and customers, but also to all individuals and organizations with whom it transacts with and relates with such as suppliers, employees, leaders, government, financiers, the community, the rivals, trade unions, professional associations, agents collaborators, local and national government and the communities where the organization operates. Freeman

(2009) defined stakeholders as those groups who affect, or are vital to the survival or the success of an organization.

Harrison and St John (1998) categorize stakeholders into those within the organization(owners, board members, managers and employees) and those within the operating environment (Customers, suppliers, government agencies and administrators, unions, competitors, financial intermediaries, the community and activist groups) all operating within the broader environment subject to socio-cultural, global economic, political-legal forces and the changing technologies. All these show the importance of identifying, understanding, building relationship with and satisfying stakeholders as well as ensuring that we take them into account in the formulation and implementation of strategy in the organization.

Pearce & Robin (1991) added a component of reconciliation and priorities in management of stakeholders. He argued that various groups of stakeholders' interest appear to conflict with those of the organization which need to be reconciled and prioritized to enhance success and survival of the organization. When it comes to formulation and implementation of processes, then strategic management is introduced in order to scan the strengths, weaknesses, threats and opportunities which exist and which may need to be handled for the purpose of satisfying the stakeholders' interests, for the survival of the organization. This scanning is done to the stakeholders who have interest or stake in the organization or individuals or groups which depend on the organization and the organization depends on them for their survival. The managers have a task to carry out the above task with skill and expertize in order to ensure success of the organization they are leading.

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1.1.3 Child Development Organizations in Kilifi County, Kenya

Kilifi County is within the Kenyan coastal region and one of the areas stricken by poverty as outlined by Mukui (2005) in his study on poverty analysis in Kenya. The area has attracted various child development organizations with local and international orientation to work in the area and alleviate extreme poverty affecting the area through child development. Some of these organizations are as follows,

Plan International started working in Kilifi more than ten years ago, to intervene in the early child survival and education support through construction and equipping of schools and health facilities within the region. This is enhanced by linking a child to a sponsor and the funds which are gotten from the sponsors construct and finance those areas of child development. This is mostly achieved through community mobilization and need assessment where different stakeholders get involved to prioritize their needs. The community will provide local resources while Plan International provides funds to achieve a common identified need. Plan International has also come up with community empowerment programmes to provide some finances to the community to establish small businesses and support their families at a small interest to the beneficiaries.

World Vision has as well been operating in Kilifi for more than ten years and employs similar strategy to the one adopted by plan. The organization works with the community to identify needy children and link them with a sponsor who commits to support that child through establishing facilities to address identified community needs which threaten the survival of a child. At times the organization may intervene to support the specific sponsored child to access medication and education in case of lack of school fees or uniform or in sickness of a child. World Vision has a

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program also for community empowerment through loans to the community to enhance self-sustainability and support to their own families.

Compassion International has been in Kilifi for about ten years now and works through partnership with the local churches in the community to identify needy children and link each child with a sponsor and the church gets the funds directly and budgets to meet identified need of the child after needs assessment. Compassion International does not have established community empowerment programs in financial support through loans like the other two organizations.

All these organizations have programs well outlined and strategic plans on how to achieve their broad objectives. They have their Missions and Visions which help them have a focus and direction in supporting children. These organizations have programs in place which they implement which are geared towards a particular outcome or objective in the lives of children or the community at large. The organizations have the head offices within Coast or in Nairobi or have regional representatives at the ground. These organizations have their link person with the community and the beneficiary group which are the customers.

1.2 Research Problem

A good organization to survive the ever changing changes globally; it becomes inevitable for the organization to formulate and develop strategies which will make it survive and take advantage of the available opportunities, and minimize the threats equally posed to the organization by the environment. The internal analysis of the organization is done to match the strategy developed with its resources and challenges. Stakeholders being those individuals or groups who depend on an organization to fulfill their own goals and whom in turn the organization depend on. These people can be termed as stakeholders. Stakeholders are those groups who affect, or are vital to

the survival or the success of an organization. It is therefore very critical to bring these individuals in to consideration for they are the ones who comprise the environment and the organization executing strategy formulation, development and implementation, for the survival of the organization.

Child developing organizations like other donor funded projects have been faced with a lot of challenges limiting their scope of outcomes as anticipated. Africa and other developing nations have continued to receive donor funds, but very little is seen as the impact of the funds and capacity building done to bring change.

In her study Kimonyi (2010) highlighted that there are claims that donor funded projects are not achieving their intended results and that countries suffer from donor fatigue in funding for there are no links between aid and growth. Actually poverty seems to be on the increase rather than decline. Kenya and other countries within East Africa have also been receiving donor funds, but little is being achieved. The child development organizations intervene in lives of children at early ages targeting to alleviate poverty within an area through donor funds to support children. This disconnect can be reduced if the various stakeholders can be fully involved in strategy formulation, development and implementation. This is done through concerted efforts of various stakeholders. Child development funded organizations have not been left out in failure or low level of attaining desired outcomes as they continue to register fewer outcomes despite the funding. This study thus seeks to analyze the role stakeholder play in strategy implementation in Kilifi County in Kenya in the child development organizations, an area outlined to be one of the poorest areas in coast region by (Mukui 2005)

Some scholars who have studied these organizations like Gichira (2009), Wachiuri (2008) and Muriithi (2008) studied these organizations in various topics but no study has been done to outline the level or the role of stakeholders in strategy formulation development and implementation in any area. This study will be of great importance to show the importance of stakeholders in participation in child development in Kilifi for there is no other which had been done before. The study therefore seeks to the question: to what extent do stakeholders play in strategy formulation and implementation in child development organizations in Kilifi County of Kenya?

1.3 Research Objective

To determine the extent to which stakeholders are involved in strategy formulation and implementation in child development organizations within Kilifi County in Kenya.

1.4 Value of the Study

This study will shed light to the organizations to realize the importance of stakeholder's participation in formulation; development and implementation of strategic plans to enable the organizations easily achieve their desired goals. The study as it seeks to establish the extent of involvement of the stakeholders will show the relationship between the levels of participation of the stakeholders with the level of achievement of the desired goals. Because there is no other study which has been carried out to determine the extent of stakeholder's participation in child development organizations, this study will be of great importance to support the theory of stakeholder participation in strategic management in these organizations.

This study will open discussions on the capacity required by stakeholders in strategy formulation and implementation as well as to articulate the level of stakeholder participation in strategic

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management in child development organizations for better attainment of set objectives. The desire for knowledge is unlimited and every new day, scholars are emerging with different questions in mind which can be researched on to give answers or to shed more light on existing body of knowledge. This study will recommend other areas which can be studied further to improve on stakeholder participation in the funded child development organizations.

The study will provide crucial data to facilitate development of policies to govern or to guide stakeholder's participation, and design appropriate methodologies of dealing with various kinds of stakeholders especially in child development organizations. This will enable more inclusive and participatory method of the stakeholders to arrive at sound decisions which can facilitate smooth implementations of strategic plans for the organization.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides information publications on topics related to the research problem. It examines views of various scholars and authors have said about implementation of strategic plans and stakeholders' participation in strategic formulation and implementation.

2.2 Strategy Formulation

Thompson (2003) outlined strategic formulation to be the entire direction-setting management function of conceptualizing an organization's mission, setting specific performance objectives and forming strategy which means the end results in a strategic plan. Strategy formulation includes, formulation of the company's mission or purpose, developing company profile, reflecting its internal conditions and capabilities, assessment of company's external environment, analysis of the company's options, matching its resources with the external environment, identification of the most desirable options in relation with the company's mission, selection of long term objectives and strategies to help achieve most desired outcomes, development of annual or short term strategies that are compatible with the selected long term objectives, implementation of the strategic choices through budget and resource allocation matching activities with people, structures, technology and lastly evaluate the success of the strategic process as an input for future decision making(Pearce and Robinson, 1991).

Johnson and Scholes (2005) saw strategy development to have two concepts. The first concept is the concept of intent which is the management deliberate plan or scheme which is well outlined

and anticipated. The second concept is the concept of emergent strategy which emerges from the social and political processes that exist around all organizations. This clearly shows that there is what organizations deliberately plan to achieve within a period of time, but because of the inevitable changes in the world due to technology, organizational experiences, terrorism, preferences and test of stakeholders, change finds its way in the plan causing changes of the indented plan resulting to a different one.

Grant (2005) saw that most organizations to have a combination of design and emergence in strategy formulation. He argued that deliberate design of strategy (through formal processes such as board meetings and strategic planning) has been characterized as a primary top-down process. Emergence has been viewed as the result of multiple decisions at many levels, particularly within middle management, and has a bottom-up process. The two processes interact within an organization during strategy formulation. He went further to argue that it is always to analyze strategy formulation to avoid chaos whether we do strategy formally or informally especially by senior management.

Allan et al, (1994) held that strategic planning to be the transition from operational planning to selecting a direction for the whole organization. Organizations, which use strategic planning, do so because they are sensitive to volatility in the external environment. With strategic planning, the planning goes beyond forecasting population shifts and concentrates in understanding the ever changing stakeholders' needs, technological developments, competitive position, and the competitor initiatives. Decisions are therefore aligned to the external dynamic world. Here managers are left with no choice rather than use strategic planning as a management function to allocate resources to programed activities in order to achieve set goals in a dynamic and competitive environment.

Johnson and Scholes (1999) held that understanding key drivers of change and the differential impact of the external influences and drivers on particular industries, markets and individual organizations is important. The influences and drivers vary from one place to another which makes the formulation of strategy to be unique to organizations. Kargar et al. (1996) conceptualized seven dimensions of planning practices which include: internal orientation, external orientation, functional coverage, involvement of personnel, use of planning techniques, creativity in planning and focus on control. They argued that once this is done it gives direction and focus, sustainable competitive advantage, firm-environment fit, efficiency in allocation of resources, improved innovation, greater organizational commitment, improved co-ordination and control of organizational activities, and improved organizational analysis.

They saw that once this is done, the firm's financial performance is enhance such that the future can be predicted using trends, improvement of long term performance is enhanced, and improvement in financial budget process. Firm effectiveness is enhanced through improved ability to evaluate alternatives, improved ability to avoid mistakes, integration of operational areas and enhanced management development.

Thompson et al. (2007) depicted strategy formulation to answering a series of hows: how to grow the business, how to please customers, how to compete rivals, how to respond to changing market conditions, how to manage each functional piece of the business and develop needed competencies and capabilities and how to achieve strategic and financial objectives. This calls for managers to be highly proactive and capable of sensing early warnings of change and capitalize on them to do new things or do existing things in new ways.

2.3 Strategy Implementation

Thompson et al. (2005) summarized strategy implementation as the idea of making things happen and happen in the right way. They held that the first step is for the managers to communicate the course of change well throughout the ranks, and make things work and meet the performance targets. They held it to be, the acting of the answers to the question how or the activities to be done, that to entail strategy implementation. Steyn (2002) in his study he quoted Harrison &St John (1994) who viewed strategic management as the process "through which organizations analyze and learn from the stakeholders inside and outside of the organization, establish strategic direction, create strategies that are intended to help achieve established goals, and execute those strategies, all in an effort to satisfy key stakeholders.

Lynch (2009) alluded that implementation programmes for strategy vary according to the nature of the strategic problems which the organization faces. He saw the problems to range from the extreme and urgent need for change to the more ongoing development processes. He went further to see implementation programmes to be of two major types whereby one of them is the comprehensive implementation programs which may carry fundamental changes in strategic direction. The second type is the incremental implementation programme where it is more applicable in times of great uncertainty. Lynch (2003) argued that a selective implementation programme can be adopted which is a compromise of the two of the above and which may be of less consequences to an organization.

Strategic management process is far from complete even after grand strategies have been determined and long-term objectives set Pearce and Robinson (1991). Strategic managers need to move to the phase of translating strategic thoughts into organizational actions. This means moving from their planning work to working the plan which is a shift from strategy formulation

to strategy implementation. Many scholars have debated on the distinction between strategy formulation and strategy implementation. Strategy formulation may be seen to comprise the identification of organizations' goals and the rational analysis of external environment and internal capabilities (Grant 2000).

Strategy cannot be implemented fully unless it is institutionalized and is blended well in the organization's operations. According to Pearce and Robinson (1991) they saw to exist four fundamental long-term means of institutionalizing the firm's strategy to include structure, leadership, culture and rewards. Strategy implementation depends largely on organization's structure. Organization structure identifies the key activities within the firm, and the manner in which they will be coordinated to achieve the firm's strategic purpose Pearce and Robinson (1991).Organization structure has the major elements, components or differentiated units within a firm. It portrays how key tasks and activities have been divided to achieve efficiency and effectiveness. Thompson and Strickland (2007) alluded that putting strategy into place and getting individual and organizational sub units to execute their parts of the strategic plan is essentially an administrative role.

Thompson and Strickland (2007) discussed that for leaders to drive strategy execution efforts by installing a result oriented work climate, then they have to take the lead in promoting certain enabling cultural drivers such as a strong sense of involvement on the part of the personnel, emphasis on individual initiative and creativity, respect for group and individual contribution and pride in doing the right things. This shows the importance and the role leaders play in strategy implementation for success of an organization.
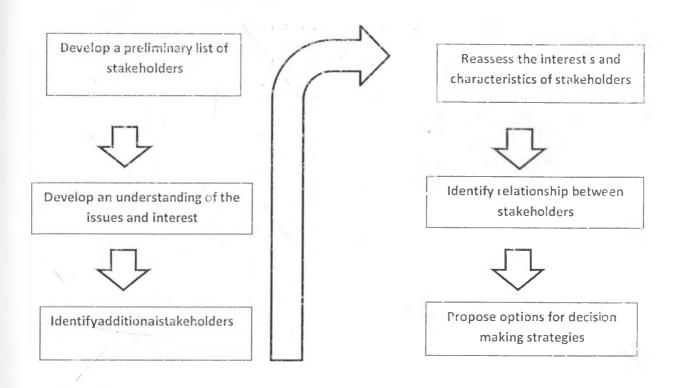
It is in management's best interest to dedicate considerable effort to embedding a corporate culture that encourages behaviors and work practices conducive to good strategy execution. A tight strategy-culture fit automatically nurtures culturally approved behaviors and squashes culturally disapproved behaviors Thompson et al, (2007). Organizational culture according to Pearce and Robinson (1991) is seen as the set of important assumptions that members of an organization share in common. All this shows that organizational culture plays an important role in strategy implementation in an organization. Strategy must be operationalized into specific policies, procedures and rules that will guide planning and decision making by managers and employees (Stoner et al, 2001).

Reward is a key ingredient in motivating managers to execute a firm's strategy. Firms should emphasize incentive systems that ensure adequate attention to strategic thrust. Pearce and Robin (1991). This requires concerted efforts to emphasize long-term strategic performance as well as short term measures of performance and integrate the long-term and short-term strategy performance to be consisted with the firm's strategy. Organizations have to build an organizational capability to carry out the strategic plan, develop supportive budgets and programmes, and instill a strong organizational commitment to both organizational objectives and chosen strategy. The organization capability build should be able to support internal leadership needed to drive implementation forward and to keep improving on how the strategy is being executed (Thompson et al 2007).

2.4 Stakeholder Analysis

Stakeholder analysis is often considered the first step in strategic planning activities in an organization. Here the managers allow or force their minds to lay out a future business concept considering all parties' needs in addition to their own. Stakeholder analysis typically refers to the range of techniques or tools used to identify and understand the needs and expectations of major interests inside and outside (Mankelow 1995). According to Morgan and Tascherau(1996); Brugha and Varvasovszky (2000), stakeholder analysis identifies the stakeholders and maps out their relative power, influence and interest in a certain domain or in regard to a specific initiative, identifies the role and action arena of each stakeholder and indicates the relative priority to be given to meeting the interests of the stakeholders thus assessing the importance of each stakeholder to the success of the project. The process of stakeholder analysis is summarized below

Figure 2.1: Steps in stakeholder analysis

Develop a preliminary list of stakeholders		Reassess the interest s and characteristics of stakeholders
Develop an understanding of the issues and interest		Identify relationship between stakeholders
Identifyadditionaistakeholders		Propose options for decision making strategies

Source: Adapted from Grimbleetal 'Trees and Tradeoffs: a stakeholder approach to natural resource management'. (1995) pp.

Stakeholder analysis typically refers to the range of techniques or tools used to identify and understand the needs inside and outside the organization. Understanding the attributes in the relationships and interfaces among and between strategic plan advocates and opponents is essential to assure success. Here in, lies a large portion of plan's risk, viability and ultimately the support that must be effectively obtained and retained. According to Rowe etal (1944), stakeholder analysis is based on two premises: that the current state of the organization is a result of the supporting and resisting forces brought to the organization by its stakeholders; while the second outcome of an organization's strategy is the collective result of all the forces brought together by stakeholders during the implementation of the strategy

To identify stakeholders, the following check list may prove useful to the managers to know who are the sources of reaction or discontent to what is going on, who have relevant positional responsibility, who do others regard as 'important' actors, who participates in activities and who share or influence opinions about the issues involved. Which groups are affected by the problem, and who have clear roles in the situation and lastly who are adjacent to the situation. This will help managers to come up with stakeholders who can affect the running of an organization.

2.5 Stakeholder Management.

It is important to identify stakeholders' interests, impact level and relative priority. According to Donaldson and Preston (1995), the key is to keep in mind that identifying interests is done with stakeholders perspectives in mind, not the manager's own mind. This is a challenge as interests are actually hidden and may contradict openly with set objectives. Each interest should be related to the appropriate project phase because interests change as the project moves from beginning to ending phase. This is summarized in the figure below:

Figure2: Stakeholder power versus Interests Grid.

	Power/Interest	LOW	HIGH
Stakeholder power	LOW	Crowd (Minimal Efforts)	Context setters (Keep informed
	HIGH	Subjects (keep Satisfied	Key Players (Maximum Effort)
	Stakeholder interest		

- Power versus interest grids typically helps to determine which players' interests and power bases must be taken into account in order to address the problem or issues at hand. They also help highlight coalitions to be encouraged or discouraged, what behavior should be fostered, and whose "buy in" should be sought or who should be "co-opted". Finally they provide some information on how to convince stakeholders to change their views. From the above table we can get the four categories of stakeholders as follows, Players who have both an interest and significant power who needs maximum efforts to be managed. There are the subjects who have an interest but have less power who need to be kept satisfied. There is the group of the crowd who have minimal interest and power who may need minimal efforts to manage, and the last is the context setters who need to be kept informed for the organization to succeed.

2.6 Stakeholder Involvement

According to Subrahmanyam and Titman (2001) it is important for managers to conduct a formal assessment of each stakeholder's level of importance and influence to the project. Stakeholder influence and importance over an organization's decision making process can be summarized in figure below.

Figure 3: Stakeholder Importance-Stakeholder Position Grid :

Opposing	Problematic	Antagonistic
Supporting	Low Priority	Advocate
	Least	Most
	Stakeholder importance	

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Least   **Stakeholder importance**   Most

Source: Subrahmanyam and Titman "Feedback from Stock prices to cashflows" (2001) Vol. 56. Pp. 2025

Influence indicates the stakeholder's relative power over and within an organization. A stakeholder with high influence would control key decisions within an organization and have strong ability to facilitate implementation of tasks and cause others to act. Such influence is derived from the individual's hierarchy, economic, social or political position, though often with personal connections to other persons of influence also qualifies (Mitchell et al, 1997) Stakeholder importance shows the degree to which the organization cannot be considered successful if the needs, expectations and issues are not addressed. This measure is often derived on the relation of the stakeholder need to organization's goals.

The consumers of an organization's service or product are considered of high importance. The understanding of stakeholders' power and importance is key to provision of insight on how stakeholders interact and also help to identify additional assumptions and risks (Mitchell et al, 1997) Stakeholder involvement can also be dictated by the resource available to them and relevance of the resources to the organization's objectives. According to Mitchell et al (1997) if

the resources are irrelevant there is no need of involving them. If the resources have auxiliary support then they may have least involvement all the time. If the resources are antagonistic in availability, then the stakeholders are not critical to the organization. If the resources are of core support, then the stakeholders are always important to the organization. The amount of resources each stakeholder has can be applied to bring about his or her preferred outcome

According to Subrahmanyan and Titman(2001), effort has been made to understand the stakeholders and there is also need to assess their level of participation and information needs. A well designed organization will not only clarify the key stakeholder needs, but will define as much as possible who participates and when. Not all stakeholders need to be involved in all aspects of the organization. The management has to identify potential groupings of stakeholders and understand that similar groups of individuals may have similar organization information needs.

Management has to use this information to reduce organization development costs and accompanying communication costs (Freeman, 1984). The value of stakeholder mapping is to assess whether levels of interest and power of stakeholders reflect governance framework, thus enhances one to know who are the key blockers and facilitators of change and how this would be responded to. It also enhances managers to know the extent to which stakeholders will need to be assisted or encouraged to maintain their level of interest or power to ensure successful implementation of strategies (Clarkson, 1995).

2.7 Stakeholder and Strategy Implementation.

As indicated earlier, Thompson et al. (2005) summarized strategy implementation as the idea of making things happen and happen in the right way. They held that the first step is for the managers to communicate the course of change well throughout the ranks, and make things work and meet the performance targets. They held it to be, the acting of the answers to the question how or the activities to be done, that to entail strategy implementation. All this is done by different stakeholders within or outside an organization's environment. Here stakeholders will act as implementers or as recipient of the organization products or services or exist as moderators or whistle blowers whenever they observe foul play in course of the organization doing business and ensure compliance.

According to the study Improving Municipal Wastewater Management in Coastal Cities; training manual (2004) UNEP/GPA, stakeholders are divided into two categories. The primary stakeholders who are directly affected either positively or negatively directly by the project. They are seen to include the consumers of the products or services of a firm. The other category was seen to include other people who play intermediary role and may have some important effects on the outcome of the project. These ones are referred to as the secondary stakeholders. Each category has a role to play in strategy implementation, to ensure that the right things are done and not only done but done in the right way.

The employees, customers, competitors, suppliers, the government, the trade unions who are various stakeholders have a role to play in strategy implementation which is the real action of all the planned strategies. They are the implementers who need to take up their role and carry it out with proper leadership, within supportive structure and also a supportive culture and good reward system. If the stakeholders were involved in strategy formulation, they own the implementation and are committed to it until they get the desired goals.

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In strategy implementation, it is always important to analyze and know the stakeholders' power and interest. This means examination of stakeholder expectations and their power to influence the operations of the whole organization, how each stakeholder is interested in influencing the activities or the organization's direction, and lastly to analyze whether the stakeholder has the means to indeed implement the influence. This shows that various stakeholders are involved in implementation of strategy at different levels according to their influence level or power held by them. It is the duty of the manager to evaluate the stakeholders and know where to place each and how to involve them for successful implementation of strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses how the study was carried out; explain the methods and steps that were used to conduct the research. The basis of any valuable research depends on the methods and procedures employed in data collection and a clear definition of the target group of the respondents.

3.2 Research design

The study is a descriptive survey in design. Surveys are popular as they allow the collection of a large amount of data from a sizable population in a highly economical way. The survey strategy is perceived as authoritative by people in general and is both comparatively easy to explain and to understand. According to Frankfort-Nachmias and Nachmias (1996), survey method is one of the most important methods of data collection in social sciences and it is used extensively to collect information on numerous subjects.

According to Mugenda and Mugenda (1999) the survey research is probably the best method available to social scientists and other educators who are interested in collecting original data for the purpose of describing a population which is too large to observe directly. In addition, a part from just describing data, surveys can be used for explaining or exploring the existing status of two or more variables at a given point in time. Surveys are also excellent vehicles for measurement of characteristics of large population.

3.3 Population of Study

The population of study constituted all child development organizations operating in Kilifi County of Kenya. As at June 2012, there were 16 child development organizations as per the Department of Children in the ministry of Gender and Social service Report for the year 2011. Census was used to study all child development organizations in Kilifi, in order to ensure that the findings reflect the stakeholder participation in strategic management in child development organization which gives adequate and reliable data for analysis.

3.4 Data Collection

A structured questionnaire was used to collect both qualitative and quantitative primary data with closed ended questions and an interview guide to collect qualitative data from key informants. The respondents in this study will be senior managers or middle level managers because they were considered to be the ones involved in the developments, planning, managing and monitoring the implementation of the various strategies through which the organizations deliver services to the community. Also key informants were interviewed in order to validate the data given by the organization representatives. The key informants include the link persons between the organization and the beneficiaries, a beneficiary or opinion leader in the community. The respondents were presented with descriptive statements about stakeholder involvement in strategy formulation and implementation in a Likert-scale and are required to score in the scale the extent to which their organization involved stakeholders in strategy formulation and implementation. The questionnaires were dropped to the respondents and were picked later for analysis.

3.5 Data Analysis

Due to the nature of data that was collected. which was largely quantitative, the researcher used descriptive statistical tools of analysis (standard deviations, mean scores, percentages and frequencies) to analyze the data. Mean scores were appropriate to rate the extent to which the stakeholders are involved in strategy formulation and implementation as indicated by scores put against each descriptive statement. Standard deviation was be used to indicate the variations in responses on both the extent of and the factors that influence stakeholders' involvement. According to Mugenda and Mugenda (2003), standard deviation is an important statistical measure of dispersion that can be used to measure response variations and therefore can be used for rating of respondents.

Percentages and frequencies were used to show the proportion of respondents who scored against the different extents of stakeholder involvement in strategy formulation and implementation, the sum of which determined the mean scores. The findings of the study were presented in a tabular form for ease of interpretation and reporting. Tables enabled the reader to compare and see the trend of the distribution more vividly than simply looking at numbers in a frequency diagram.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter gives the findings of the research project whose objective was to determine the extent to which stakeholders are involved in strategy formulation and implementation in child development organizations within Kilifi County in Kenya. The study findings have been analyzed using descriptive like means, standard deviations percentages and frequencies and various inferences were made based on the data findings. The researcher obtained data successfully from 15 organizations out of the registered 16 as per the District Children Office Report 2011. This is 93.75% response rate with only 6.25 % response failure. It was found that Child to Child was a project of Northern Magic which closed operations in Kilifi.

4.2 Organization Profiles

Table 1: Duration of service for the respondents

Duration of service	frequency	Percentage
1 -5 Years	10	67
6-10 Years	3	20
11 Years and above	2	13
TOTAL	15	100

(Source: Research Data 2011)

The researcher found that most of the respondents had worked in these organizations for a period of about 5 years represented by 67 %. This indicates that the data can be relied upon for the people had a good understanding of the organizations' operations.

Table 2: Duration of Existence of the organizations within the region

Years of existence	Frequency	Percentage
1 – 5 Years	5	33
6 – 10 Years	4	27
11 - 15	3	20
16 and above	3	20
TOTAL	15	100

(Source: Research Data 2011)

The researcher found majority of the organizations to have existed in the area for a period of between 1 and 5 years, represented by 33% of the total respondents. This shows that the organizations had established stakeholders who affect or are affected by their operations in one way or another.

Table 3: Number of Children Supported.

Number Of Children	Frequency	Percentage
500 and Below	4	27
500 - 1000	3	20
1001 - 2000	1	7
2001- 3000	2	13

3001 and Above	5	33
TOTAL	15	100

The researcher found that, large number of organizations supported 3000 children and above shown by 33 percent of the respondents followed by another majority supporting a population of less than 500 giving 27 %. 20 % of the organizations supported a population 500 to 1000 child as found out in the study. This shows that the organizations have a wide scope of clients hence a wide scope of stakeholders affected by their transactions.

Table 4: Nature of the organizations Origin

Nature of origin	Frequency	Percentage
National	1	7
Regional	6	46.5
International	7	46.5
		100

(Source: Research Data 2011)

Most of the organizations were either regional, working within coast region and international at an equal level. They comprised 93 % of the respondent at an equal percentage of 46.5. Only one organization was of national origin covering the nation of Kenya. This shows that the organizations have a strong base of stakeholders and their efforts channeled towards child development.

4.3 Stakeholder Involvement.

All the organizations who respondent in the research had vision and mission statements, and engaged stakeholders in strategy formulation and implementation. The mode of participation in strategy formulation was formal and others did develop, their strategies in both informal and formal way. Four regional organizations were using formal ways of formulating their strategies as well as four International organizations. One national organization used both formal and informal method to formulate their strategies while three regional organizations used both formal and informal methods. There was no organization using informal method of strategy alone.

The following shows the extent of stakeholder participation in strategy formulation as found out by the researcher in a scale of 1-5,

1-Not at all,   **4- To a great extent**

2-To a less extent.   **5-To a very great extent.**

3-To fairly extent.

Table 5: Stakeholder involvement in strategy formulation

Variable in stakeholder involvement in strategy formulation	Mean	Standard Deviation
Stakeholder analysis is carried out to understand their needs to planning	3.93	1.032
At times stakeholder meetings are not carried out due to time and costs	2.93.	0.560
Executives value strong stakeholder participation in strategy formulation.	4.33	0.617

Policies allow most stakeholders to participate in strategy formulation	4.06	0.654
Stakeholder opinions are incorporated in the organization's strategy	3.73	0.617
Planning meetings for planning and role allocations are put in place	3.93	0.883
Grand Mean	3.81	0.727

(Source: Research Data)

The researcher found out that stakeholder analysis is carried out to understand their needs to be considered in planning to a great extent shown by a mean of 3.93 though there is a major variation shown by a standard deviation of above 1. Stakeholder meetings at times are not carried out well due to constraints like time and costs near to a fair extent and strengthened by a standard deviation of 0.560. This finding contradicts with what key informants highlighted as a major factor which has made most of these organizations' programs not to pick well. They attributed the failure due to short time to train stakeholders and help them internalize their mission and objectives either due to short time frame allocation and also budget constraints.

Policies allow most of the stakeholders to participate in strategy formulation to a great extent shown by a mean of 4.06 and a standard deviation of 0.654 which shows congruency of arguments by the respondents. Stakeholders' opinions are incorporated in organization strategy to fair extent with a mean of 3.73 and a standard deviation of less than one to show that the respondents agreed to a greater extent of the variable. Planning meetings to plan and allocate roles are held to near a great extent though the standard deviation is moving towards 1. The key informants indicated that organization policies tend to propagate the interests of the organization more than of the stakeholders, and also may not be applicable to the Kilifi Community for they are of international origin and address a wide range of communities especially for international organizations.

Generally the level of involvement of stakeholders in strategy formulation tends to move towards a great extent though not fully there but moving from a fair extent. The standard deviation is below 1 which tends to show agreement with the finding of stakeholder participation is not at an impressive level.

Table 6: Stakeholder participation in strategy implementation

Variable in stakeholder involvement in strategy implementation	Mean	Standard Deviation
Strong stakeholder participation leads to easy achievement of organization objectives	4.8	0.560
Organizations' objectives can be easily broken down from long-term to short term objectives for easy execution	3.8	0.941
Strategic plans are motivating factors to strategy implementation within the organizations studied.	4.26	0.593
Various stakeholders understand organization strategic plans as well as the expected outcomes	3.26	0.961
Open communication exists throughout strategy planning and implementation to give progress feedback	4.06	0.798
Communication always flows from top to bottom during strategy implementation	3.33	1.496
Grand Mean	3.91	0.891

(Source: Research Data)

.Respondents in the study agreed to near a very great extent that strong stakeholders' participation leads to easy achievement of organizations' objectives. This was supported by a mean of 4.8 and a standard deviation of 0.560 which shows the respondents tended to agree on the variable. The respondents agreed to near great extent that long-term objectives can be broken easily to a short term objectives for easy execution. The variable was supported by a mean of 3.8 and a standard deviation of 0.941 which shows substantial variation towards 1 meaning that the respondents had wide range of response towards that statement. This was supported by the views of key informants about the time taken to train stakeholders to understand the mission of the various organizations.

Most of the respondents agreed to a great extent that strategic plans are a motivating factor to stakeholder participation shown by a mean of 4.26 and a standard deviation of 0.593 which shows agreement of the respondents, especially those who understand the strategic plans and expected outcomes. The respondents indicated that most of the stakeholders understand the organizations' strategic plans and expected outcomes to fair extent shown by a mean of 3.26 and a deviation of 0.961 which is near 1 to indicate some variation in opinions. This was also indicated by key informants who asserted that strategic plans and expected outcomes are not clear to the primary beneficiaries of these child development organizations leading to low success rates and low level of ownership. Literacy level was also highlighted as a limitation to ownership of the programs run by the organizations.

The respondents agreed to a great extent that open communication exists right from planning and implementation of strategies to give feedback to mean of 4.06 and a standard deviation of 0.7 showing agreement of opinion to the respondents. The respondents agreed to fair extent that communication is mostly from top to bottom during strategy implementation with a mean of 3.33

and a big standard deviation of 1.496 which indicates huge variation of opinion of the respondents on the subject.

In general view the respondents agreed to near a great extent that stakeholders are involved in strategy implementation shown by a mean of 3.91 and a standard deviation of 0.891 showing there is a slight variation of opinion. Comparing it with stakeholders' participation which had a mean of 3.81, it shows more involvement in strategy implementation than in strategy formulation which gives a point of disconnect.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the research work. Here the summary, discussion and conclusion of the research objective is given. Recommendations and suggestions for further research are also discussed. The limitations of the study are also provided.

5.2 Summary of the findings

The objective of the study was to establish the extent of stakeholder participation in strategy formulation and implementation in child development organizations in Kilifi County in Kenya. The researcher conducted a descriptive survey with the senior managers and also interviewed key informants and found out all the child development organizations working in Kilifi County carry out stakeholder participation in strategy formulation and implementation. The extent however varied with more stakeholder involvement in strategy implementation than in formulation.

The researcher also found that time factor also affects strategy formulation and implementations where the organizations take a very short time to carry out in-depth stakeholder involvement in initiation of programs and also they face short time limits to execute the plans from higher authorities making most of the programs not to attain the desired outcomes in child development. The aspect of short time allocated for training was also linked to fear of the organizations spending more money in administrative issues where costs of trainings are allocated hence the limitations of stakeholder participation.

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Due to the short time allocation and fear of administrative costs, most of the primary beneficiaries end up not to internalize the expected outcomes of the strategies used by this organizations and this has led to low ownership of what the donors do to benefit the community. There was also aspect of low literacy level outlined by key informants as a cultural limitation which leads to a high level of low ownership for most of the beneficiaries have low basic literacy abilities to govern or internalize these programs and translate the activities to outcome oriented activities.

5.3 Conclusion of the Study

The analysis of the data provided and summary above helped the researcher to build up to the conclusion that, child development organizations working in Kilifi County involve stakeholders in strategy formulation and implementation to a fair extent and with more involvement in strategy implementation than in strategy formulation. However there is need to involve stakeholders right from strategy formulation, implementation and evaluation to ensure good success of the programs run by these organizations which will lead to a higher impact in the society.

5.4 Limitations of the study

The study may have some limitations in data collection where the respondents may have misinterpreted some words. This may have led to some responses describing the ideal situation rather than actual occurrence. Some respondents could have withheld some information which was important for the study. Some respondents may have had some bias giving some information which discredits their organization in public.

Time constraint was also another constraint which resulted in some managers not able to give the responses keen attention to provide an in-depth information relevant to the real situation being

studied. Some respondents had to be reminded over the phone about the questionnaire to be filled. The time to complete the study was also short becoming a point of limitation.

5.5 Suggestions for Further Research

This study had a major objective of establishing the extent of stakeholder participation in strategy formulation and implantation for child development organizations in Kilifi County. There are however several other issues that created some gaps that need to be filled. A study can be carried out to determine the level of impact of these organizations especially where an organization has existed for over ten years.

5.6 Recommendations for Policy and Practice

Child development organizations need to adopt high level of stakeholder analysis to identify stakes of most of them and try to link them with the organizational objectives for easy achievement of their intended outcomes. The primary beneficiaries need to be given more information and incorporated in the strategic plans to enable them understand fully what the organizations expect and prepare them to part of the means to achieve their intended outcomes.

The aspect of time and cost need to be given priority especially when starting these programs in a community to help the organizations to train the stakeholders to a level of understanding the intentions of the organizations and the organizations to understand some cultural aspects which may bar them from achieving their desired outcomes within a short period of time. The fear of high administrative costs and short time lines when starting the programs will lead to high level of dependency and low ownership rather than developing a targeted community.

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APPENDICES

Appendix 1 Questionnaire

PART A: ORGANIZATION PROFILE

1 Name of your organization.............................:......

2 For how long have you served in the organization?

      a. Less than Five years [_____]

      b. 5-10 years [_____]

      c. Over 10 years [_____]

3 How long has the organization has your organization been in existence within the region?

    a. Under 5 years [_____]

    b. 6-10 years [_____]

    c. 11-15 years [_____]

    d. Over 16 years [_____]

4 How many children do you support currently?

    a. Less than 500 [_____]

    b. 500-1000 [_____]

    c. 1000-2000 [_____]

    d. 2000-3000 [_____]

    e. 3000 and above [_____]

5 Tick the appropriate origin of your organization.

    a) National ☐

    b) Regional (Within Coast region) ☐

    c) International. ☐

PART B: STAKEHOLDER INVOLVEMENT

.1 Does your organization engage in strategic planning?

    Yes ☐

    No ☐

2. Does your organization have vision and mission statements?

    a) Vision statement ☐

    b) Mission statement ☐

3. How are the organization's strategies formulated?

    a) Trough a formal process ☐

    b) Through informal process ☐

    c) Through both formal and informal processes ☐

4.   Please list below different stakeholders that affect or are affected by your organizations activities.

    i)…………………………………

    ii)…………………………………

    i i)…………………………………

iv) ....

v).................................. ....

vi).......................................

5.   Rank the above stakeholders in terms of the amount of power they influence your organization's strategy and in a scale of 1 to five indicate the level of participation.

i)...☐

ii)...☐

iii)...☐

iv)...☐

v)...☐

vi)....,...☐

6 In a scale of 1 to 5 rate the following statements to your level of agreements as follows

      1-Not at all,

      2-To a less extent,

      3-To fairly extent,

      4-To a great extent, and,

      5- To a very great extent.

Variable in stakeholder involvement in strategy formulation	1	2	3	4	5
Stakeholder analysis is carried out to understand their needs for easy planning.					
At times stakeholder meetings are not carried out due to time and costs limitations.					
Executives value strong stakeholder participation in strategy formulation.					
Policies allow most stakeholders to participate in strategy formulation.					
Stakeholder opinions are incorporated in the organization's strategy.					
Planning meetings for planning and role allocations are put in place during strategy formulation.					

7. Indicate the extent to which you agree to the following statements using the five point scale provided below.

     1- Not at all   2- To a less extent

     3- To fairly extent   4- To a great extent

     5- To a very great extent

Variable in stakeholder involvement in strategy implementation	1	2	3	4	5
Strong stakeholder participation leads to easy achievement of organization set objectives.					
Organizations' objectives can be easily broken down from long-term to short term objectives for easy execution.					
Strategic plans are motivating factors to strategy implementation within the organizations studied.					
Various stakeholders understand organization strategic plans as well as the expected outcomes.					
Open communication exists throughout strategy planning and implementation to give progress feedback.					
Communication always flows from top to bottom during strategy implementation.					

PART C: KEY INFORMANT INTERVIEW GUIDE

1. Do you think participation of stakeholders can give better results?

2. Do the child development organizations call for stakeholders meetings to formulate strategies and how to achieve them?

3. Do you think most of the strategies are developed at head offices and brought to the people to implement?

4. Do different people who have different powers and abilities called to plan for child development within Kilifi County by these organizations?

5. Do you think organizations' culture allow participation of stakeholders to develop and execute plans together?

6. Do you think various stakeholders know and understand the vision and mission of child development organizations they work with?

7. Do you think it is easy to achieve the organization strategic plans because they are unrealistic?

8. Do you think the provincial administration and other stakeholders in the community are informed when these organizations are starting to operate in the County?

Thanks for your cooperation.

Appendix 2: List of Child Development organizations in Kilifi

1. World Vision

2. Plan International

3. Compassion International

4. Action Aid

5. Aphia Plus

6. Moving the Goalposts

7. Girls World

8. SCOPE(Strengthening Community Partnership and Empowerement)

9. Lifting the Barriers

10. SOLWODI (Solidarity With women in Distress)

11. Kesho Organization

12. Child to Child

13. Upendo Orphans Project

14. Northern Magic

15. Ferrari Foundation

16. Conwald Seahorse

17. International Labor Organization.

INTRODUCTORY LETTER

Kivuva B. Makau

P. O Box 55375-00200

Nairobi

To,

RE: Research as partial fulfillment of the requirements for the award of the Degree of Master of Business Administration (MBA).

This is to confirm that I am an MBA student at the University of Nairobi, and as partial fulfillment of the requirements for the award of the degree of Master of Business Administration (MBA), the university requires me to undertake a research project in an area of my interest, and which is scholarly stimulating. I have chosen to research on stakeholder participation in strategy formulation and implementation within World Vision Kenya, Plan International Kenya and Compassion International Kenya within Kilifi County.

I wish therefore, to request for your assistance to get some time and discuss my interview schedule and assure you that all information you will give will be used only for this research and no other purpose. At the end of the exercise, a report will be prepared and presented to the University for Examination, but should any of you require a copy of the same, you may contact me.

I will be grateful for your assistance and cooperation. Should you have further queries on the same, do not hesitate to contact me or the School of Business, University of Nairobi.

I thank you in advance.

Yours faithfully

Kivuva B. Makau.