

**IMPLEMENTATION STRATEGIES ADOPTED BY KENYA ELECTRICITY
GENERATING COMPANY (Kengen) FOR RENEWABLE PROJECTS IN KENYA**

BY

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DECLARATION

I declare that this research project is my original work and has never been submitted for a degree in any other university or college for examination/ academic purposes.

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This research proposal has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this research project to my mother, Jane, my late dad, Z. Ratemo and my entire family members for their relentless efforts to have me get quality education despite many challenges.

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I would like to sincerely thank my supervisor Dr. Kinoti for her time guidance and support throughout this research. I also wish to thank my mother, Jane for her encouragement through my studies and my entire family for standing with me at every step of my education. Special thanks to the staff of Kenya Electricity Generating Company for helping me get the data and also my colleagues for peer reviewing my work.

To you all I say thank you and God bless you.

ABSTRACT

Strategy implementation is so critical in creating and sustaining competitive advantage in the business environment that it calls for research and development of appropriate technologies. This research work is part of that effort. In today's turbulent and competitive environment, there is an increasing recognition of the need for more dynamic approaches to formulating as well as implementing strategies. Implementing strategy is tougher and more time-consuming than strategy-making. Each implementation situation occurs in a different context, affected by differing factors such as business practices and competitive situations, work environments and cultures. The approach to implementation should therefore be customized. The study was investigating the implementation strategies adopted by KenGen for renewable projects in Kenya. The findings of this study will contribute to building the existing body of knowledge in strategic management and specifically on strategy implementation. A case study of KenGen was carried out. It involved an in-depth investigation of the phenomenon of strategy implementation. To obtain primary data, which was qualitative in nature, six top level executives were interviewed by use of semi-structured questionnaire. Secondary data was obtained from management information system, internet and printed records. The data collection instrument used was a semi-structured interview guide that was flexible and which gave the researcher an opportunity to probe further. Data was analyzed in accordance with the objectives of the study using content analysis method. Findings from the study indicate that various best practice principles were applied in strategy implementation at KenGen such as measuring the attainment of targets using the balanced scorecard and monitoring the implementation process by the Transformation Monitoring Office (TMO). The findings showed that these practices did support the implementation of the business plan (strategy). It is recommended that KenGen should continue driving strategy implementation through the bi-weekly TMO meetings. The TMO must also place ongoing emphasis on communication that is timely, broad based and effective. Performance management needs to be further embedded and rolled out across KenGen. All employees need to be stakeholders in the future direction of the organization. Their daily performance and activities should be measured along the specific milestones and core values identified by the business plan. In addition, KenGen should finalize the unfinished policies around monetary and non-monetary awards and link the performance management system to the strategy that needs to be developed for the company. There were two limitations of the study. First, some of the responses were likely to be biased due to the fact that the informants who were interviewed were the actual people involved in strategy implementation. Second, there was a constraint of availability of informants due to engagements such as leave of absence, training, or fieldwork. A study could be conducted to investigate how performance management in KenGen can be improved to support strategy implementation process. A future study should also be conducted to identify how KenGen was transformed from a "Good" organization to a "Great" organization.

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ABBREVIATIONS

KenGen : Kenya Electricity Generating Company Limited

SPSS : Statistical Package for Social Sciences

Kw : Kilo Watts

SHSs : Solar Home Systems

RETs : Renewable Energy Technologies

PV : Photovoltaic

IPPs : Independent Power Producers

TMO : Transformation Monitoring Office

G2G : Good to Great

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Energy is not viewed as an essential need, but rather it is a fundamental element in the successful fulfillment of all essential human needs (Yuko, 2004). The level and power of Energy utilization is a critical pointer of a nation's financial development. The main sources of energy are divided into two main categories: conventional and renewable energy sources. Conventional sources such as energy from non renewable resources have numerous challenges that include pollution and global warming; this has made countries change policies to encourage adoption of greener technologies in renewable energy sources. Strategy implementation being the strategy that transforms plans energetic assignments and guarantees that such assignments are executed in a way that fulfills the plan's expressed goal (Kotler, 1984). Implementation is a very perplexing and intelligent process. Adequacy of technique usage is influenced by the nature of individuals required all the while (Govindarajan, 1989).

Renewable energy can in general terms be characterized as Energy that can be gotten from assets which are normally renewed on a human continuance, for example biogas, sunlight wind, tides, hydropower, geothermal heat and waves. Renewable Energy sources can substitute traditional Energy sources in four discernable ranges: boiling hot water/space heating, electricity generation, engine powers, and provincial (off- grid) energyservices (Wikipedia, 2014).The increased distress over impacts identified with Energy utilization and a worldwide temperature alteration implies that there will be more dependence on renewable Energy sources in future which incorporates solar, wind, hydro, geothermal, hydro, biogas, wave and tidal. Also, with expanding Energy costs, more consideration is being moved to further investigation of renewable Energy sources as another option to fossil fuels.

Subsequently, scholars and 13 industries from different parts of the world have started to imagine renewable Energy driven future in the quest for an economical Energy framework (IPCC, 2007).

This study is anchored on two theories: open systems theory and organizational systems theory. An open system is one that interfaces and connects with its surroundings, by getting contributions from and conveying yields to the outside (Emery, 2009). Open System Theory keeps up that individual and their associations must have an open and effectively versatile association with the relevant environment after some time to guarantee feasibility. Hierarchical Development Theory, advancement is an important strategy that all associations must experience. The strategy of authoritative advancement cause changes in the every day working environment routine and these progressions causes achievement and profitability in the work environment (Britt and Jex, 2011).

The renewable energy sector has experienced several changes following the Government's intervention to advocate and promote its usage among its citizens. This included providing tax incentives on renewable energy equipment. In addition, following increased power blackouts resulting from reduced water levels in the electricity generating stations. This forced many firms and organizations to seek alternative sources of energy which drove them to renewable energy. With a ready market, more and more firms have been licensed to manufacture and distribute equipment in the renewable energy sector.

1.1.1 The Concept of Strategy

Porter (1996) defines competitive strategy as intentionally picking distinctive arrangement of exercises to convey a special blend of significant worth. These exercises frame the premise of upper hand. System in itself can be characterized as an approach administration has for situating the organization in its picked showcase field, contending effectively, satisfying clients and accomplishing great business execution (Thompson and Strickland, 2002). Strategy is additionally the business rationale of a business that characterizes why a firm can have an upper hand.

Strategy comprises of every one of those moves and methodologies that a firm has and is taking to pull in purchasers, withstand aggressive weight and enhance its market position (Thompson and Strickland, 2002). It concerns what a firm is doing with a specific end goal to pick up a sustainable competitive advantage. Porter (1980) laid out the three ways to deal with aggressive technique these being endeavoring to be the general ease maker, i.e. minimal effort initiative methodology, furthermore trying to separate one's item offering from that of its adversaries, i.e. separation system and finally concentrate on a slender bit of the market, i.e. center or specialty technique.

Porter (1998) described competitive strategy as “the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs” and encourage clarifies that “competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition.” This includes recognizing sources of rivalry in the perpetually changing environment then creating strategies that match authoritative abilities to the adjustments in nature. As indicated by Porter (1998), “competitive strategy is about being different”. This implies intentionally performing exercises distinctively and in preferable courses over contenders.

1.1.2 Strategy Implementation

Strategic management is the set of choices and activities used to figure and execute strategies that gives an intensely predominant fit between the association and its surroundings as to accomplish organizational objectives (Prescott, 1986). Administrators make inquiries, for example, what changes and patterns are happening in the focused environment? Who are our clients? What items or administrations would it be a good idea for us to offer? How might we offer those items and administrations generally productively? Answers to these inquiries help chiefs settle on decisions about how to position their association in the earth regarding rival organizations (Markides, 1997).

The last stride in the strategic administration process is execution which is the way system is put enthusiastically. Some contend that strategy execution is the most troublesome and critical piece of key administration (Bourgeois et al, 1984). Regardless of how innovative the defined strategy is, the association can not profit on the off chance that it is in effectively executed. In today' turbulent and focused environment, there is an expanding acknowledgment of the requirement for more dynamic ways to deal with planning and additionally executing strategies. Strategy is not a static, investigative process but rather it requires vision, instinct and representative interest (Feurer et al, 1995). Methodology execution includes utilizing a few instruments, that is, parts of the firm that can be conformed to place strategy without hesitation. Once another strategy is chosen, it is executed through changes in authority, structure, data and control frameworks and HR (Galbraith and Kazanjian, 1986).

It is evident from existing literature that various studies have been carried out in the range of key administration in Kenya. Aosa (1992) carried out an exact examination of parts of system detailing and execution inside substantial; private assembling organizations. The study investigated strategic management practices in Kenya. He suggested that research could be extended to cover different areas of the economy. He argued that a study with a narrower focus would achieve greater depth thereby providing further insights into the strategic management process in Kenya. Accordingly, he suggested that studies could focus on any of a variety of topics such as management training, managerial involvement in strategy, and problems in strategy development and implementation.

1.1.3 Renewable Energy in Kenya

Even though Kenya has limitless renewable Energy assets including sun powered, wind, bio-fuel, biogas, geothermal and hydropower, their application has been limited. The expansion of the renewable energy is being catalyzed by the increasing demand and price of electricity, growing world oil and gas costs and environmental pressure. Biogas energy makes more than 70% of aggregate Energy utilization in Kenya. Petroleum and power, represent roughly 22% and 9% individually (Mwakubo et al., 2007). The Kenyan Energy part is described by the substantial reliance on biogas, low access to cutting edge Energy, frequent power outages, over dependence on hydroelectricity and high reliance on imported oil. Renewable energy sources adoption is, hence, significant means to meet the challenges of increasing demand and dealing with the related environmental pressure.

Decentralized renewable energy systems have enormous potential in meeting immediate energy requirements for isolated institutions, businesses and households in remote areas especially is this critical because only 6% rural population has access to grid electricity (Wanjiru and Ochieng, 2013). Prohibitively high connection costs and low incomes among majority of people in developing countries such as Kenyans accelerate low access to energy in spite of the government efforts under the rural electrification programme (Love, 2012). For instance, the cost of rural electrification is evaluated to be between US\$ 30 to US\$ 40 for each kWh, contrasted with an amortized life-cycle cost of solar and battery operated systems of US\$ 1 to US\$ 2 per kWh (Kiplagat, Wang and Li, 2011). Therefore, renewable energy accounts for approximately 67.1%, thus Kenya power generation is now majorly green.

1.1.4 Energy sector in Kenya

The key industry players are Ministry of Energy (MOE), Electricity Regulatory Commission (ERC), KenGen, Independent Power Producers (IPPs) and Kenya Power and Lighting Company (KPLC). The MOE is accountable for making and articulating Energy approaches to make an empowering situation for proficient operation and development of the part, readiness of the slightest cost advancement program for the power division; directing execution of the provincial charge program and encouraging the assembly of assets for the segment speculation. The ERC is in charge of control of the power sub-division. Built up in 1998 under the Electric Power Act of 1997, the ERC has the order to set, audit and change retail taxes, affirm control buy assentions, advance rivalry in the sub-segment, resolve purchaser protestations and uphold ecological, wellbeing, security directions.

KenGen which is the main electric power maker in Kenya representing more than 80% of electric power expended in the Country, enabling it to have the biggest market share. The IPPs account for 20% of electric power expended in the Country. The level of competition in the industry has been on the increase. In 1996, the GoK authoritatively changed power era as a component of the power part change endeavors. The main IPP advancements happened on the heels of the 1996 enactment opening up the era area to private speculation. There was an expansion in power request, hydrological conditions were getting to be unfavorable and open assets to fabricate control plants were lacking.

1.1.5 Kenya Electricity Generating company (KenGen)

Kenya Electricity Generating Company Limited, KenGen is the main electric power generation organization in Kenya, delivering around 80 percent of power expended in the nation. The organization uses different sources to produce power extending from hydro, Energy, warm and wind. Hydro is the main source, with an introduced limit of 766.88MW, which is 64.9 for every penny of the organization's introduced limit (Kenya Electricity Generating Company Limited, 2014). KenGen has a workforce of 2,063 staff situated at various power plants in the nation. With its abundance of experience, set up corporate base and an unmistakable vision, the organization means to keep up administration in the changed electric Energy sub-segment in Kenya and the Eastern Africa Region (Kenya Electricity Generating Company Limited, 2014).

KenGen's Corporate vision is to be the market pioneer in the arrangement of Reliable, Safe, Quality and Competitively evaluated electric Energy in the Eastern Africa locale. Corporate Mission is to productively create aggressively evaluated electric Energy utilizing cutting edge innovation, talented and spurred human asset to guarantee budgetary achievement.

“We shall achieve market leadership by undertaking least cost, environmentally friendly capacity expansion consistent with our corporate culture. Our core values will be adhered to in all our operations.” KenGen Core values are; integrity, professionalism, team spirit and safety culture (Kenya Electricity Generating Company Limited, 2014).

1.2 Research Problem

Though the renewable energy sector is not relatively new, its growth in the country is at a low pace as compared to the other developing countries (SREP, 2011). Deficiency of market analysis has in many cases hampered the uptake of product development (Wanjiru and Ochieng, 2013) as shown by poor market understanding regarding stakeholder mapping, technology mapping and promotional schemes. High costs of products often lead to market stagnation further discouraging the technology uptake (Love, 2012). Currently in Kenya, most renewable energy systems technology is available although market penetration is notably low and existence of these technologies is rarely known by potential users (Mwakubo et al., 2007).

Strategy implementation in organizations in the power industry has in general not received much attention and hence significant gaps exist in our knowledge. Increased research in this area to unveil problems associated with implementation of organizational strategies is important. Hence the study is designed to fill this gap by emphasizing on the implementation of strategies adopted by Kenya Electricity Generating Company Ltd (KenGen) for renewable projects in Kenya.

In addition, very few studies have sought to investigate on the strategies adopted for renewable projects. For instance, Oludhe (2010) did a study on principles of renewable energy resources where it sought to comprehend the advantages of utilizing renewable Energy assets and comprehend the way of the ecological issues connected with creation and administration of renewable energies. Dewees (2012) did a study on the renewable energy technologies in Kenya by looking at the system for a market investigation of renewable Energy advances for little scale water system in Kenya where it proposed a conceivable structure for an investigation of the market for renewable Energy advances in Kenya that could accommodate a very valued end-use in a formatively essential division. From the above studies, it is clear that constrained studies if any have focused on the implementation strategies adopted for renewable energy projects in response to challenges in external environment in Kenya. This concentrate accordingly will look to fill this examination crevice by noting one question: what are the implementation strategies adopted by KenGen for renewable energy projects, and bridging these gaps in view of the fact that strategic execution is a key part of vital administration in such organizations.

1.3 Objective of the Study

The target of the study was to set up the execution strategies received by KenGen for renewable energy projects in Kenya.

1.4 Value of the Study

To the renewable Energy Sector market players Companies and dealers of renewable energy, products need to align their business activities and products with the consumers' preferences to be more appealing to the society they serve. However, to increase the uptake of solar energy in Kenya, it is imperative to understand the factors that affect its adoption and development.

Thus, this study sought to provide insights into the determinants of solar energy adoption and development in Kenya. The study findings will be used to further increase engagement of potential consumers into adoption of renewable energy for economic empowerment.

Secondly it will be of value to the Government of Kenya and approach creators. This study will likewise be of essentialness to the administration as energy projects are funded by the government. The study will highlight to the government strategies and measures that should be set up in executing the Energy ventures. This will help to improve project management and implementation situation.

Lastly is to be value to other Researchers. This research study significantly helps in further or future studies as a point of reference by other independent researchers, government co-sponsored researches and even by Non-governmental project organizations in Kenya and beyond. It ought to give an insight of what has been done and recommend gaps for further studies in order to improve management of energy projects around the country.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter investigates the background information needed to give a general understanding of implementation strategies adopted for renewable energy projects with emphasizes on adoption of solar and biogas energy. The chapter looks at the theoretical literature review focusing on behavioral theories that best explain the strategies for adoption of renewable energy adoption. In addition, the review discusses empirical literature focusing on the determinants of adoption of renewable energy.

2.2 Theoretical Foundation

According to Mantha (2003), energy projects are essential as they provide sustainability to human life. However, many energy projects normally fail to kick-start or collapse immediately they are initiated because of many financial criteria's or policies required of them in order to be in tandem with government regulations or get funding. As a result, energy projects die in the process.

Leon Festinger's theory of cognitive dissonance (Festinger, 1957) may be used to explain the varying solar energy adoption. This psychological instrument is used to warrant making the "incorrect" choice internally. It entails the diminution of mental discomfort (dissonance) about selecting the non-optimal alternative by falsifying facts and analysis to suit the decision made. Here is one of Festinger's famous instances, where a smoker may cut down his psychological discomfort regarding smoking by convincing himself that the damaging health effects of smoking are pompous, or even that giving up on smoking would bring about weight gain that would be equally as damaging to health (Festinger, 1957).

This particular concept has seen increasing use in behavioral and ecological economics, especially concerning the acceptance of climate change (Hulme, 2009). It points to the fact that those who stand to lose the most by adopting environmental friendly practices to curb climate change are potentially to reject the scientific facts of climate change so as to reduce the dissonance of continuing environmentally damaging exercises. This concept may be applicable to solar energy adoption when a country has carbon dioxide intensive industries, or even greater amount of oil reserves. When such a scenario occurs, it may be psychologically easier to disregard environmentally friendly products like Photovoltaic modules.

Cognitive dissonance has its origin in the thought that people like to imagine of themselves as moral and thus, they must convince themselves that climate change is not human-centered so as to preserve their good self-image in spite of continuing practices that harm the environment. It may also be thought of in regards of social identity. Instead of changing their entire worldview as a result of addition of new knowledge, individuals are likely to selectively prefer situations and data that suit their general perspective on matters (Festinger, 1957). Thus, just as economies that have environmentally damaging practices may assure themselves that solar energy adoption is not worthy, an economy that affiliates themselves with environmental wholeness may be more likely to adopt solar energy use. Likewise, countries with high social equality may experience greater solar panel and biogas adoption because of the social implications.

2.3 Implementation Strategies

Most discussions of strategy focus on how to formulate strategy and little attention has been given to how to implement those strategies. However, people have recognized that problems with implementation in many companies have resulted in failed strategies. Strategy realization elements include such factors as motivational leadership which focuses on

accomplishing performance through self-improvement, value based management that perceives human progression, transforming system energetically which involves a staged approach, connecting distinguished execution elements with key activities and tasks intended to create and upgrade departmental and singular exercises, and execution administration including the development of authoritative strategies and capacities important to accomplish execution through individuals conveying results(Thompson and Strickland, 2003b). Every execution circumstance happens in an alternate setting, influenced by contrasting components, for example, business hones and focused circumstances, workplaces and societies, approaches, remuneration motivators, blend of identities and firm histories. The way to deal with usage ought to in this manner be redone.

The objective of strategy implementation is to join add up to association behind strategy, see that exercises are done in a way that firmly coordinates necessities for top notch methodology execution, produce such a decided responsibility at all authoritative levels that an excited campaign rises to complete technique and to make a progression of methodology strong" fits". The foremost assignments of methodology usage are building a skilled association, designating plentiful assets to system basic exercises, setting up technique strong strategies and techniques, initiating best practices and instruments for constant change. A portion of the fruitful execution strategies include; human resources, structure, leadership, culture, policies and strategies and communication.

2.3.1 Human Resources

Maybe the most critical asset in an association is its kin (Johnson and Scholes, 2004). The parts individuals play, how they interface through formal and casual strategies and connections that they construct are vital to the accomplishment of technique. The association's HR are its representatives. The human asset work initiates, chooses, trains,

exchanges, promote what's more, lay off workers to accomplish key objectives. Preparing representatives, for instance, can help them comprehend the reason and significance of another system or help them build up the essential particular abilities and practices. Now and then workers may need to give up and be supplanted.

Translating a strategic vision into effective action is not an easy task. Strategy formulation does not automatically lead to strategy implementation (Mockler, 1993). People often resist new thinking in organizations and do not always react rationally to change. Swartz (1985) contends that the test to administration is that it may need to enlist, select, prepare, train, exchange, advance and potentially even lay off workers to accomplish the associations vital goals. He encourage contends that since more associations are utilizing groups, the capacity to fabricate and oversee powerful groups is an essential piece of executing methodologies. Noticing that administration authority is an essential fixing in an effective methodology, so as well, is a roused gathering of center and lower level directors who complete the particular plans of senior management.

2.3.2 Structure

Notwithstanding choosing the right individuals to execute system, usage includes the matter of receiving the privilege hierarchical structure that matches the technique. Structure is the ideological glue that holds the organization together, enhancing their ability to pursue strategy on one hand, but sometimes impeding strategy on the other (Mintzberg, 1991). Strategy and structure exist independently each influencing the other. A new strategy in any organization would without exception call for structural changes. Creating that structure and the attendant behavioral changes is a formidable challenge.

Organization structure and control shape the way individuals act and decide how they act in the authoritative setting (Hill and Jones, 2001). The organizational structure and control systems co-ordinates and motivates employee behaviour. The value creation exercises of

association individuals are good for nothing unless some kind of structure is utilized to allot individuals to assignments and interface the exercises of various individuals and capacities. For instance, to seek after a cost administration methodology an organization must plan a structure that encourages close co-appointment between the exercises of Manufacturing and Research and Development to guarantee that creative items are delivered both dependably and cost viably.

2.3.3 Leadership

Leadership is an essential element of effective strategy implementation. Recognition must be given to the role of leadership in organizations. Leadership is the force that causes change. It is the single most visible factor that distinguishes change efforts that succeed from those that fail. It encompasses the qualities required in the entire strategic management process. Four territories of authority conduct are the assurance of goals, the control of means, the control of the instrumentality of activity and the incitement of co-ordinate activity.

Different leadership styles can be appropriate for different strategy implementation situations (Mockler, 1993). Figuring out which administration style or mix of styles may be best in a circumstance rely on upon circumstance components e.g. nature of organization, industry or focused market. Leadership involves the role of the CEO and key or senior managers in the organization. The CEO is accountable for a strategy's success. He is an image of the new strategy. The CEO's activities and the apparent reality of his or her responsibilities to the picked methodology, especially if that system speaks to a noteworthy change, fundamentally impact the power of subordinate supervisors' dedication to usage (Pearce and Robinson, 2000).Thompson and Strickland (2003a) summarizes that the role of a strategic leader includes encouraging a strategy steady atmosphere and culture, keeping the inner association

responsive and inventive, engaging champions, managing organization legislative issues and driving the way toward making remedial changes.

2.3.4 Culture

Corporate culture alludes to the mutual qualities, convictions, desires and standards within an organization. It provides a framework for action, and so can be an important factor in furthering the strategic thinking needed for effective implementation (Mockler, 1993). Managing technique culture relationship obliges affectability to the cooperation between the progressions important to execute the new system and the similarity or "fit" between those progressions and the association's way of life (Pearce and Robinson, 2000). Making a hierarchical culture, which is completely orchestrated with the vital arrangement, offers a solid test to the methodology implementer's managerial initiative capacities. Anything so central as executing the picked key arrangement includes moving the entire association culture into arrangement with technique (Thompson and Strickland, 2003b).

Each association is an extraordinary culture. It has its own extraordinary history of how it has been dealt with, its own particular set methods for moving toward issues and directing exercises, its own particular blend of administrative identities and styles, its own particular set up examples of "how we do things around here", its own experiences of how changes have been initiated (Thompson and Strickland, 2003a). The basis of corporate culture is the rationality, the demeanors, and the convictions and shared qualities upon and around which the association works. An associations culture is an important contributor or obstacle to successful strategy implementation. Building a strategy supportive culture hinges directly on the abilities and actions of the strategy manager through instilling values through actions and deeds. The behaviour (culture) of individuals ultimately determines the success or failure of organizational endeavors, and the top management that is concerned with strategy and its implementation must realize this. Every aspect of change requires that the behaviour of the

individuals within the organization must also change to align to the new strategy and managing this change is a key element to the accomplishment of the strategic plan.

2.3.5 Policies and Strategies

Successful strategy implementation requires methodology steady approaches and strategies. Changes in methodology for the most part require a few changes in how inward exercises are led and managed, requesting that individuals modify activities and practices dependably annoys the inner request of things to some degree and pockets of resistance do emerge. Policies define and clarify enterprise wide strategies. The revised policies promulgate standard operating strategies that facilitate strategy implementation and counteract any tendencies for parts of the organization to oppose or dismiss the picked technique (Thompson and Strickland, 2003b).

Approaches are general articulations or understandings that guide supervisors' reasoning in basic leadership. They guarantee that choices fall inside specific limits, the essence of which policy indiscretion while technique is about bearing in which human and material assets are connected to accomplish the set goals. Thompson and Strickland (2003b) argue that strategy implementation calls for changes in how internal activities are conducted. Prescribing policies and strategies gives beat down direction on how things are finished. It authorizes required consistency in how technique basic exercises are performed in geologically scattered working units.

Policies aid in this process by providing tools to guide and control relationships in the workplace, they constitute the written law of the rules of engagement and demonstrate the organizations commitment and seriousness towards certain issues that affect staff in the workplace. For effective methodology execution, an association needs to locate a fit between its structure, initiative, culture, approaches and strategies. If these key components for

strategy are working at cross purposes then the success of strategy implementation is in jeopardy.

2.3.6 Communication

Communication is the flow of information within the organization. It helps ensure that goals are understood, instructions are disseminated and feedbacks from various units and personnel received. Oral communication is particularly important in implementing enterprise wide strategies and carrying out the planning effort. Oral communication, used in conjunction with other forms of communication, affects strategy implementation directly through its impact on the individuals involved in implementation. It encourages participation in strategy detailing, refinement and execution, and also enabling direct communication of corporate strategies once formulated. By indicating upper management's involvement and belief in the strategic vision, it can create enthusiasm and motivate personnel (Mockler, 1993).

The best practices in corporate communications are a nearby arrangement of corporate correspondence work and the execution of technique, the Chief Executive Officer as the best reputing structure for the corporate correspondence work, an emphasis on corporate brand and notoriety, and the utilization of information technology to enhance communication. A study done by Ikavalko and Aaltonen (2002) on middle level managers role in strategy implementation came up with the conclusion that one major reason for failure in strategy implementation is lack of communication from the top management. They advocated for the involvement of the strategic (implementing) managers in the planning process to ensure a greater degree of success in strategy implementation.

2.5 Types of Renewable Energy

There are many types of renewable energy currently in use, they include; Solar energy, Wind energy, Wind energy, Biogas energy, Geothermal energy and Hydroelectric power. Solar advances outfit the Energy of direct sun based irradiance to make power utilizing photovoltaic's cells and concentrating sun powered energy to make warm Energy to meet direct lighting prerequisites and additionally to create energizes that may be utilized for transport and other purposes which might include heating and cooling (Hemmen, 2011). Kenya has a high solar energy potential since it receives daily isolation of between 4-6kWh/m². Solar use in Kenya is majorly for photovoltaic frameworks, drying and water warming. The Solar photovoltaic frameworks are utilized chiefly as a part of media transmission, lighting and water pumping. Currently the country has installed capacity of approximately 4 MW. In addition, the country currently has roughly 140,000 sun oriented water warming frameworks introduced.

Wind Energy utilizes the active Energy of moving air. Power is created from expansive wind turbines found either coastal or seaward. Power from wind is both variable and, to some degree, eccentric, however encounter and expound concentrates on from numerous areas demonstrates that combination of wind Energy don't posture unconquerable specialized hindrances (Belward et al., 2011). Kenya has estimated average wind speeds of between 3-10 m/s and this is a huge potential for production of wind energy. Areas with highest potential are northern and eastern parts of the country.

Biogas energy can be derived from diverse biogas feedstock, including woodland, rural and animals deposits; the natural constituent of civil strong waste among other natural waste sources. Although with different processes, these feed stocks can be used directly to give out power or warm, or can be used to make vaporous, fluid, or strong fills. The variety of biogas

energy advances is wide and the specialized development changes considerably (Belward et al., 2011). Kenya Biogas density is moderate but there is a lot of potential to deliver biogas Energy for cutting edge creation. The Kenyan government has distinguished noteworthy potential for power era utilizing ranger service and agro-industry buildups including and not limited to bagasse.

Geothermal Energy bridges the warm Energy from the Earth's inside. Warmth is normally extricated from geothermal supplies underground utilizing wells. These stores are either actually adequately hot and also penetrable or are sufficiently hot but improved with hydraulic stimulation. The hot fluids produced with different temperatures can be used to create power or be utilized all the more specifically for applications that use warm Energy, including warming, geothermal heat pumps or cooling applications (International Energy Agency, 2009).

In Kenya geothermal resources are situated inside the Rift Valley with a surmised control era capability of between 7,000 MW to 10,000 MW spread more than 14 planned spots.

Geothermal is an exceptionally dependable approach to deliver Energy, since it is not influenced by climatic inconstancy and it doesn't require transported fills. Accordingly, it is the most reasonable hotspot for base load power era in the Kenya (IPCC, 2012).

Finally, Hydropower utilizes the Energy of water moving from higher height to lower rises, basically to create power. Most hydropower undertakings include development of dams with supplies, keep running of-waterway and in-stream ventures. Hydropower advancements are currently develop. The hydropower supplies are regularly utilized for numerous utilizations, for example, they are utilized to give drinking water, water system, surge and dry season control, route, notwithstanding Energy supply (International Energy Agency, 2009).

2.5 Summary of Literature Review

This chapter has covered two main areas. First, it has defined and looked at the theories that explain renewable energy facts. Second, it has presented a discussion regarding empirical research literature, with emphasis on strategies adopted in implementation of renewable energy. Several factors has been identified and discussed and include technological, intuitional and financial aspects. This gives a good basis for the study since it provides the background information on the adoption of renewable energy. However, there a gap that exists in understanding how government influences the decision to adopt renewable energy.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section introduces the, research methodology that was utilized to complete the study. It incopoerates the research design, population of the study, data collection techniques and data analysis techniques.

3.2 Research Design

Research design can be depicted as an end-all strategy of an examination that throws light on how the study is to be carried out. It indicates how the greater part of the significant parts of the research study– the samples or groups, programs, treatments or measures, etc– cooperate trying to address the research questions. As indicated by Kothari (2004) the research plan serves to " plan, structure and execute" the research to boost the "legitimacy of the discoveries.

The study employed a case study design. Gillham (2000a, p.1) characterizes a case study analysis as an examination to answer particular research questions which look for a scope of various confirmations from the case settings while then again, Yin (2014) sees a case study investigation as an observational request that explores a existing phenomenon inside its genuine setting, particularly when the limits amongst marvel and setting are not obviously characterized. The contextual investigation approach is particularly helpful in circumstances where relevant states of the occasion being concentrated on are basic and where the analyst has no influence over the occasions as they unfurl. Contextual investigation strategy was viewed as the most suitable way to deal with utilize in light of the fact that it gives an efficient approach to gather information, dissect data, and report the outcomes, in this way comprehend a specific issue or circumstance in awesome profundity. All the more particularly, it: gives an assortment of member points of view and uses numerous information accumulation methods. The contextual analysis approach makes utilization of numerous strategies for information gathering, for example, interviews, report audits, chronicled records, and direct and member perceptions and in this way 'thick portrayals' of the marvels under study (Yin, 2014).

3.3 Data Collection Instruments

The main data collection technique was interview guide. The data, which was qualitative in nature, was collected by interviewing six (6) executives who are responsible for strategy implementation. These people were the operations director, regulatory affairs director, business improvement and technique chief, HR administrator, capital arranging and strategy supervisor and transformation monitoring manager. The data was recorded by taping and writing the responses as provided by the informants.

The data collection instrument was a semi-structured interview guide (see appendix 1). This instrument proved flexible, provided the interviewer with greater control of the interview situation and gave an opportunity to probe further. Questions were administered and probing done in a semi-structured way. The semi-organized meeting is unified with foreordained inquiries with an open-finished configuration that are asked to all sources in a similar way (York, 1998). In a semi-organized meeting, open-finished inquiries furnish the questioner with more prominent flexibility and less confinement (Kadushin, 1990).

3.4 Data Analysis

Bogdan and Biklen (2003) characterize qualitative data analysis as "working with the information, organising them, breaking them into sensible units, coding them, orchestrating them, and searching for patterns. The data after collection was analyzed as per the objectives of the study.

The researcher was trying to establish the implementation strategies adopted by KenGen for energy renewable projects. The analysis was done by comparing collected data with the hypothetical methodologies and documentations referred to in the writing survey. In this study, the meetings information were recorded and interpreted then dissected utilizing content analysis. The individual reactions were investigated, contrasted and ordered and the

aftereffects of interpretation and along these lines triangulated and deciphered to make determinations.

CHAPTER FOUR

DATA ANALYSIS OF THE FINDINGS

4.1 Introduction

This part exhibits essential information discoveries, their examination and understanding. The study was finalised by utilization of an interview guide. The total number of persons interviewed was five, three directors and two managers. The findings are categorized into two

main sections namely, practices in driving implementation and the strategies adopted in implementation.

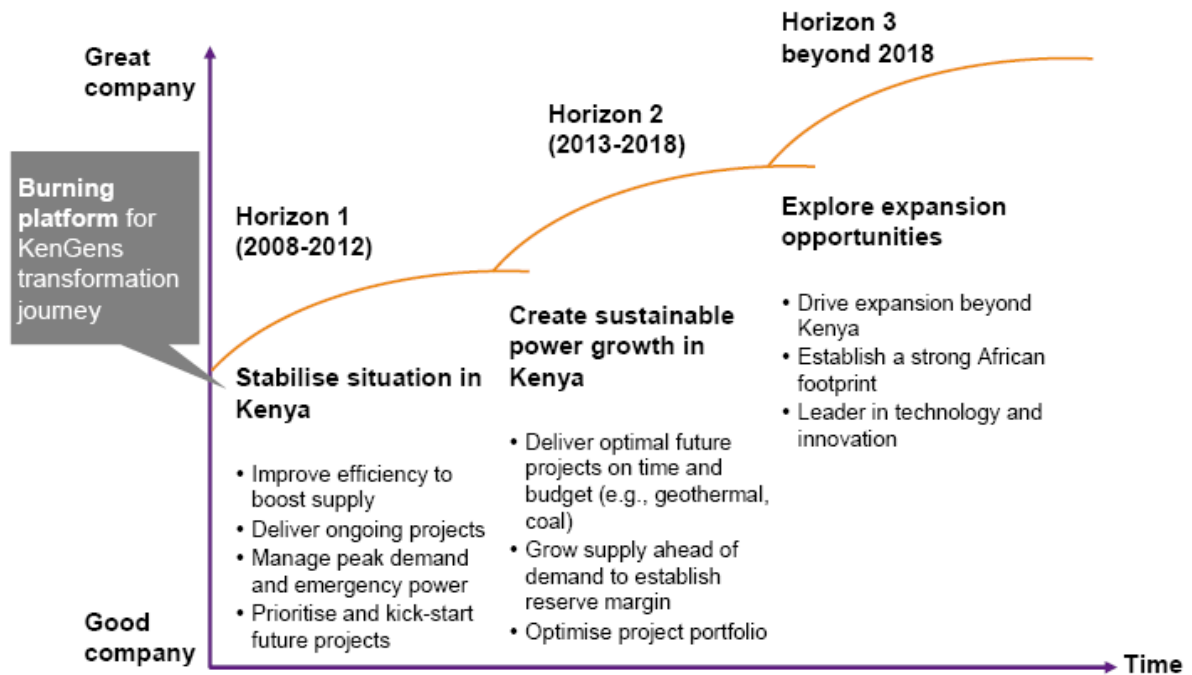
4.2 Research Findings

4.2.1 Strategic Horizons for KenGen

The “burning platform” for KenGen today is to stabilize the power situation in Kenya over the next five years by delivering ongoing projects/optimizations, initiating power conservation and maintaining emergency power. KenGen also needs to simultaneously kick-start future projects that bring significant capacity on line over the next 5-10 years, in order to move away from current “fire fighting” to meet demand and create sustainable growth for Kenya. Sustainably growing power provision for Kenya requires KenGen to triple capacity in Kenya from 1,000 to 3,000 MW over the next ten years. Delivering on Kenya’s power needs wins KenGen the right to explore regional expansion opportunities. Three clear strategic horizons have been defined as shown in figure 1.

KenGen is currently implementing the Good to Great (G2G) transformation strategy. This ambitious growth strategy stretches KenGen, and to be successful, critical focus is being put on three major strategic pillars (capital planning, regulatory management and operational excellence) supported by an effective organization (Figure 2). Within each of the strategic pillars and organizational foundation, 15 specific focus areas have been identified that are key to transforming KenGen from a “Good” organization to a “Great” organization able to successfully grow the supply of power in Kenya and deliver the three strategic horizons identified as crucial to stabilizing the power situation in Kenya and throughout the region. KenGen is focusing on three strategic columns bolstered by a solid association, keeping in mind the end goal to convey on its vision over horizons 1-3.

Figure 1: Critical path for KenGen to stabilize power situation over 3 strategic horizons



Source: KenGen (2009)

The first strategic pillar involves a rigorous capital planning and execution, referred also to as the growth strategy; involves focusing on effective conveyance of current ventures, forceful geothermal extension throughout the following ten years, and improving capital planning and execution processes. This involves execution of geothermal, wind, gas, coal and hydro projects and a robust long-term financing linked to efficient capital procurement.

The second strategic pillar involves driving an effective regulatory management, referred to also as the regulatory strategy, it involves focusing on enhancing the effectiveness of the present single purchaser model, successfully controlling the deregulation strategy to maximize value for KenGen and Kenya, and building a new regulatory management structure in KenGen's organization to proactively manage key stakeholders.

The third strategic pillar involves striving for operational excellence, referred also to as the productivity strategy, it involves focusing on optimizing current upkeep works on, diminishing operational and overhead expenses, and enhancing key strategies that impact on operational effectiveness like procurement processes.

4.2.2 The Implementation Strategy

To translate the G2G transformation strategy into action, KenGen has translated the overall transformation strategy into a robust implementation plan. Each strategic pillar (capital planning, regulatory management, operational excellence and organizational health) has discrete focus areas, underpinned by corporate goals for KenGen. To achieve the corporate goals in each focus area, Major Transformation initiatives (MTIs) have been identified and milestones as well as Key Performance Indicators (KPIs) defined for each MTI as shown in figure 3. All key activities required to achieve these MTIs have also been defined and an overall implementation Master Plan developed for the G2G transformation. In order to deliver on the strategy, a number of concrete steps have been taken to ensure effective implementation, namely prioritizing Major Transformation Initiatives (MTIs), developing an MTI Master Plan and establishing a bi-weekly Transformation Monitoring Office (TMO) steering Committee.

4.2.3 Translating Strategy into Operation

In order to deliver the strategy, KenGen uses the approaches provided by Kaplan (2001) to translate strategy into action. Kaplan (2001), who is the creator of Balanced Scorecard strategy management framework, outlines three critical components that are required for fruitful strategy usage as portraying the methodology, measuring the technique, and managing the strategy. The Kaplan (2001) philosophy behind this is that you cannot manage

what you cannot measure and you cannot measure what you cannot describe. To describe and visualize strategy, a KenGen strategy map has been developed. To measure strategy, a balanced scorecard to measure objectives in multiple perspectives has been developed. The link between strategy and personal objectives is bridged by the balanced scorecard that translates strategy into operational terms.

The KenGen strategy map provides a visual framework for the strategy and illustrates how value is created among the four balanced scorecard perspectives. The Corporate Scorecard is the cornerstone of cascading scorecards to teams and personal levels throughout KenGen. Cascading the Scorecard has ensured that everyone in the company understands how they add to the accomplishment of the organization's overall strategy. It also ensures that corporate goals are aligned to employees' goals. The divisional scorecards cascade from the corporate scorecards and departmental scorecard cascade from divisional scorecard in that manner up to personal or team scorecards. Appendix 3 shows KenGen's corporate scorecard.

4.2.4 Design of Structure and Governance

In order to better align KenGen's organizational structure with the strategy as well as solve the deeper rooted issues, a number of best practice design principles have been used to design a more robust organisation structure. Combining inputs from the above key processes, best practice organisation design principles (Figure 5) and inputs from KenGen staff, a high level and flexible organization structure has been put in place to drive the strategy. The complete structure has been exploded into five levels which makes the organisation flatter and more flexible to rollout performance management system.

Table 1: Human Resource by Skill Categories

CATEGORY	NUMBER
TECHNICAL OPERATIONS STAFF	
Artisans	186
Auxiliary Plant Operators	5
Compressor man	32
Control Assistant	3
Co-ordinator	3
Craftsmen	77
Derrick man	3
Drillers	8
Engineers	105
Foremen (Technical)	113
Machine Operators	14
Plant Operators	99
Power Station Operators	25
Rigfloorman	10
Scientists	84
Superintendent	42
Technicians	71
Turbine Operators	68
Sub Total	956
NON-TECHNICAL	
Accountants	33
Administration Staff	7
Auditors	37
Catering	92
Clerks	8
Corporate Planning	1
Managing Director	105
Drivers	2
Financial Analysts	114
General Support (others)	25
Human Resources	28
Information Technology Staff	28
Legal Affairs	5
Liaison	2
Librarians	5
Medical Staff	9
Public Relations & Communication	3
Procurement	63

Protective Services	7
Teachers	12
Sub Total	569
Company Total	1555

Source: Research Data

4.2.5 Communicating the Strategy

It was found out that communication was critical and central to the success of strategy implementation process. Communication is at the heart of evaluating performance and overall performance management. Performance evaluation focuses on comparing actual performance to targets and then using dialogue to communicate areas of progress and improvement. The performance dialogues are grounded in “FACT” (Fact-based, Action-based, Constructive, Targeted).

A plan is underway to build efficient and customer-focused relationships with customers through setting up a customer communication desk to enhance two-way communication as well as keep customers updated on various company activities. The findings revealed that a communication system targeting employees and key stakeholders has been developed around key communication objectives as summarized in table 2.

Table 2: Communication Objectives and Stakeholders

Objective	Target Stakeholders
b) Strong branding, reputation and ownership of the Corporate Goals	ERC, MOE, KPLC, MOF & Employees
c) Align all employees to the Strategy	Employees
d) Energy Booster:- Through a clear comprehensive and compelling	Employees

communication	
e) Raise desire, effectively change individuals' conduct and connect with consideration of people at all levels of the association	Employees
f) Workforce is properly taught and arranged for authoritative changes, know what's in store, encourage understanding and bolster and keep up worker duty..	Employees
g) Ensure fittingly educated of hierarchical changes and keep up Support and responsibility.	External stakeholders and partners

Source: Research Data

Table 3: Communication System

Approach	Audience
(a) Quarterly detailed update of strategy implementation to KenGen board.	Internal (Board of Directors)
(b) Conducting of effective meetings at all levels and use of performance boards.	Internal (Employees)
(c) Communication and problem solving workshops.	Internal (Board and Staff)
(d) Energy Booster. Through a clear comprehensive and compelling communication.	Internal (Board and Staff)
e) Quarterly Management/G2G team area visits (Transformation updates, collection of ideas and audit of implemented activities).	Internal (Employees)
(f) Monthly G2G bulletin (Fliers, Emails, Notice boards).	Internal (Employees)
(g) Targeted information and engagement with selected stakeholders and partners	External (Stakeholders and public)
(h) Quarterly press releases	External (Stakeholders and public)

Source: Research Data

4.2.6 Financing the Strategy

From the findings it was clear that the extent to which KenGen expands its power supply is defined by its ability to access a range of financing options from both the public and private sector. The choice of the criteria for financing options depends on affordability, accessibility, dependability and timing. The categories of funds are a combination of equity, debt or internal sources. The company explores various sources including domestic capital markets, government infrastructure bonds, international capital markets, debt financing, multilateral and bilateral funding, carbon credits, internally generated funding and Public-Private-Partnership (PPP)/joint ventures. To achieve financing objectives, the company has engaged a financial advisor and financial arranger, KPMG and Standard Chartered bank respectively. Their role is to assist KenGen in financing the capacity expansion programme for Horizon one and two projects. It was found that strategies for financing electric power interests in the nation are evolving significantly.

The primary constrain behind the change is the enormous requirement for capital assets and the administration's choice to restrict the commitments of the legislature in financing new tasks, hence the power companies' shift from government-supported debt financing to corporate-supported getting. The change has two distinct dimensions. First, the need for a commercialization motivation aimed at building up the nation's energy organizations into effective, plug, self-ruling substances, completely receptive to market strengths. Secondly, the need for the power companies to shift reliance from the traditional sources to private wellsprings of fund and still, after all that from bank credits to the security markets.

KenGen is financing the plants from internally generated funds, from corporate bonds and equipment financing. Following the offer of 30% of the government shareholding in KenGento people in general in 2006, KenGen launched the sale of Ksh.15 billion

infrastructure bond on 8th September, 2009. The bond is priced at par and carries a 12.5 per cent interest rate per annum for a 10-year period. The ability to generate sufficient revenue to meet the bond financing costs, being the interest per year, and the repayment of the principal at the end of year 10 depends on the results from operations and the tariff regime. The GoK has advanced grant to KenGen to finance the exploration of the geothermal steam field and is also expected to finance the purchase of the geothermal drilling rigs. Clean Development Mechanism (CDM) is a support scheme under the United Nations atmosphere tradition and the Kyoto convention. This financing mechanism allows eligible projects to generate and sell carbon credits as a supplement to the ordinary electricity generation and sales.

These carbon credits are sold as Certified Emission Reductions (CER) to buyers in industrialized countries who have a target for their greenhouse gas emission reductions according to the Kyoto protocol. KenGen in August 2006 presented six projects to the World Bank, which was accepted. These projects are, the redevelopment of Tana power station, Olkaria II 3rd unit, Kipevu combined cycle, SonduMiri hydro station, optimization of Kiambere and Ebburu power station. KenGen is selling the CERs from the qualifying projects to the World Bank at an estimated value of Ksh.1.3 billion by the year 2012. These funds are ploughed back to project financing.

4.4 Discussion

The results revealed useful information with respect to the concept. From the content analysis of the study it was established that communication systems, use of competent staff and organization structure improved strategy implementation at KenGen. These relationships were supported by the structured survey carried out by McKinsey Company on KenGen staff that looked at the Organizational Performance Profile (OPP). The OPP report indicated that

there was very stable performance in strategy implementation during the periods in which KenGen invested heavily in developing competent staff. The report showed that indeed the skills are adequate in the company to translate the business strategy to actions successfully.

The results indicated that strategy implementation requires continual learning, innovation and growth as supported by the fourth perspective of the balanced score card, on which KenGen business strategy is based. Learning and growth perspective also supported the idea of enhancement of strategy implementation. This perspective, therefore, showed a positive relationship with the objectives set out in chapter one of this report as well as the theory ascribed to in the conceptual discussion. The results in this study indicate that the “implementation strategy” adopted by KenGen in implementing its strategies can enhance the efficiency of the implementation process. A number of concrete steps have been taken to ensure effective implementation, namely prioritizing Major Transformation Initiatives (MTIs), developing an MTI Master Plan and establishing a bi-weekly Transformation Monitoring Office (TMO) steering Committee. In this way, the professional practices in strategy implementation are improved, not just in KenGen but in the whole power industry.

The idea of Transformation Monitoring Office (TMO) fits well to the present theory. The findings of this study showed that this office acts as the guardian of the strategy by monitoring the implementation of MTIs across all levels. Kaplan and Norton (2004) suggest that strategy implementation must be done by employees at all levels. The work by Kaplan and Norton (2004) show that the Office of Strategy Management (OSM) with 6-8 people improve the effective and efficient use of the Balanced Score Card (BSC). The TMO at KenGen is functionally equivalent to OSM. In addition, it was found that if rewards were well tied to performance, then strategy implementation efficiency would be improved. The

discoveries of this study demonstrated that there exists a solid relationship between the BSC and strategy maps. The strategy map and BSC, which are the tools that KenGen uses to translate strategy into operation, are in line with the theory by Kaplan (2001) on the BSC.

The theory describes the critical components required for fruitful strategy execution as portraying the system, measuring the methodology, and managing the strategy. To describe, measure, and manage the business strategy KenGen has developed a strategy map and corporate BSC. It was found that the study results generally agreed with theory. The findings of this study conformed to findings of other studies on most aspects of strategy implementation. Previous studies on strategy maps (Kaplan and Norton, 2004) and value chain strategy (Lysons and Farrington, 2006) presented comparable results to that of this study.

In the value chain strategy implementation, primary activities like inbound logistics and operations require support activities like firm infrastructure, competent human resources, technology and communication. Similarly, the main strategy implementation practices at KenGen are affected by factors such as human resources, technology and communication.

It is noted that the results of this study conflicted with that from the previous studies by Porter (1998) on the implementation of the five forces model strategy. The implementation of the five factors model is becoming quite limited by latest technologies that are encouraging networks and alliances between rivals in industry, buyers, and suppliers and offering many substitutes. This means the role of theory must be re-examined in light of current dynamic contemporary business environment of the 21st Century. The implementation of the five forces model strategy is, therefore, not in line with the existing theory. This is contrary to the findings of this study which showed results that agreed with theory.

The peculiar finding that is unique to this study regard the political, economic, social-cultural, technological and other challenges faced by KenGen in strategy implementation in the contemporary business environment. The study results showed that most of the challenges faced by the company have been overcome and a strong case has been presented for competitive advantage, one that has been achieved both in cost reduction and uniqueness by applying strategy implementation prudently.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section contains the synopsis of the findings, conclusions and recommendations based on the objective of the study. It also highlights the limitations of the research study and recommendations for further research.

5.2 Summary of the findings

The results revealed useful information with respect to the goal of the study. The target of the study was to build up the strategy implementation practices adopted by KenGen. The study established that the company uses a blend of strategy implementation practices. These practices include the approaches KenGen has employed in building the strategic direction as defined in the strategic horizons, the implementation strategy used to implement the G2G transformation strategy, the methods used to translate strategy to action, ways of designing the organization structure and governance, the competencies employed to drive the strategy, the methods of communicating and financing the Strategy.

The results indicated that strategy implementation requires a variety of practices in order to successfully translate the organization plans into action. The practices employed by KenGen are unique to the company set up, operating environment and nature of business. The practices that are put in place are dependent on the resources available at the disposal of the company and the organizational capability.

The unique practices employed by the company in strategy Implementation enables the company to be a market leader in the local region – providing 80% of the electricity consumed in Kenya. KenGen has adopted a contemporary approach that compares favorably to worldwide champions in power generation and other leading industries that employ best practice principles in business.

5.3 Conclusion

The overall result shows that the practices adopted by KenGen in its strategy implementation are effective. It can be presumed that the practices support the execution of the business plan and help propel the company towards the attainment of its vision. The practices employed by KenGen in strategy implementation are of great interest, they can be emulated by other organizations within and without the power industry. These best practice principles used by the company are the key success factors in strategy implementation. However, these practices have been to some extent affected by the challenges the company is currently facing.

The approach to strategy implementation is anchored in developing a solid understanding of the current drivers of implementation challenges. KenGen has achieved this through a combination of activities, ranging from structured surveys looking at the Organisational Performance Profile (OPP) (KenGen, 2009) to detailed interviews and analyses.

It can be concluded that the company has achieved a strong build up with the presence of new strategies (particularly regulatory management and geothermal) that have been adopted by senior management, effective buy-in to key recommendations such as the geothermal strategy by external parties, and specific processes and tools being used by the TMO. However, significant challenges still need to be addressed in order to achieve a breakthrough. One such challenge is employee morale that can be overcome by addressing remuneration needs of staff as major salary overlaps exist. KenGen should also play a proactive role in addressing

the current implementation challenges. This way, KenGen will be the architect of its own success and that of the industry – which are inextricably linked.

5.4 Limitations of the Study

Interviewing top level executives in the organization on strategy implementation is like asking for a self evaluation. It also demands that the informant makes a judgment on the institution they work for. It is expected therefore that some of the responses were likely to be biased as the informant may see punishments coming about because of taking a specific position on an issue. This was, in any case, minimized by guaranteeing the witnesses that the data was to be utilized exclusively for scholarly purposes.

There was also a constraint of availability of informants due to engagements such as leave of absence, training, or fieldwork. Some potential informants, being busy top level executives, were not available within the time period of the examination work. Nonetheless, the informant rate was high enough that these limitations had marginal effects on the overall discoveries of the study.

5.5 Recommendations for Further Research

This study cannot be considered exhaustive in addressing all major aspects of strategy implementation in KenGen and in the power industry. The research was a qualitative study that dwelt deeper into the reasons behind what, how, and why. A quantitative research could be conducted in future to survey strategy implementation across several firms in the power industry to identify the aggregate position.

The research focused on implementation strategies adopted by KenGen for renewable projects in Kenya. A study could be conducted in future to investigate how performance management in KenGen can be improved to support strategy implementation process.

This study focused on strategy implementation process at a time when KenGen was undergoing a G2G transformation. A future study should be conducted to identify how KenGen was transformed from a “Good” organization to a “Great” organization, with emphasis on leadership and change management.

5.6 Recommendation

To build a sense of urgency and cultivate the right management philosophy to be successful KenGen needs to relentlessly continue driving implementation through the bi-weekly TMO meetings. Sponsors and champions should be supported in following through on agreed MTIs but in the meantime additionally considered responsible for delivery. The TMO must also place ongoing emphasis on communication that is timely, broad based and effective to ensure that the strategy implementation does not lose momentum. One important priority is the execution and communication of quick wins to help build momentum for change and propel KenGen from the Great Company it is today, to the Great Company it aspires to become.

Performance management is an enabling factor related to the organization and a contributor to successful strategy implementation. Performance management needs to be further embedded and rolled out across KenGen. All employees need to be stakeholders in the future direction of the organization. Their daily performance and activities should be measured along the specific Milestones and core values identified by the business plan. This is based on the principle that, “What cannot be measured cannot be managed”. A dedicated team is required to own and drive this implementation across the company and KenGen should consider hiring a specialist with previous experience in rolling out performance management systems across large organisations.

The team should make use of the tools that have been developed for KenGen such as the balanced scorecard, performance boards, training videos and succession and development plans. In addition, KenGen should finalize the unfinished policies around monetary and non-monetary awards and link the performance management system to the new strategy that needs to be developed for the company.

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Appendix 1: Interview Guide

Top level Management

1. Does the institution have a business strategy?
2. What are the components of that business strategy?
3. What practices do you employ in implementing the business strategy?
4. Does KenGen have documented corporate objectives?
5. What initiatives or action plans have you put in place in order to achieve these objectives?
6. What are the targets that have been set to help measure the achievement of the corporate objectives?
7. What is the role of corporate governance in strategy implementation?
8. What are the core competences and skills employed by the company to translate the business strategy to actions successfully?
9. What are the various information systems put in place by the company to facilitate strategy implementation?
10. How does the organizational structure support or hinder the implementation of the strategies?
11. How does the organizational culture support or hinder the implementation of the strategies?
12. Does the company have the required resources for implementation of the established business strategy?
13. How effective are the communication systems in enhancing access to information by the workers?
14. How would you describe the available communication systems' support to strategy implementation?

15. Do we have any uncontrollable factor in the external environment that has adverse impact on strategy implementation? Comment on the nature and source.

16. Is the senior management of the institution in the forefront in providing leadership to enable strategy implementation?

17. What is the general attitude of junior and middle level staff towards the business strategy? Do they have adequate information on their roles in the strategy implementation?

18. What's your general comment on strategic management in KenGen?