CHALLENGES OF IMPLEMENTING THE MULTIPLE STRATEGIC ALLIANCES BETWEEN PRACTICAL ACTION EAST AFRICA AND NGOS IN THE WATER AND SANITATION SECTOR IN KENYA

BY

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Declaration

This research project is my original work and has never been presented in any other university or college for the award of degree or diploma or certificate.

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Dedication

I dedicate this academic piece to my family especially my parents, Jacinta Velo and Peter Maundu, thanks for prompting me to enrol for the MBA programme. You were right; the course was worth all the sacrifice! This study is also dedicated to all upcoming firms who believe that cooperation is the trend of the future- may you pursue your visions with confidence but with ardent caution.

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Abbreviations and Acronyms

CBOs : Community Based Organizations

E A : East Africa

KUAP : Kisumu Urban Apostolate Program

MoU **:** Memorandum of Understanding

NGOs : Non- Governmental Organizations

WASH : Water and sanitation

UK : United Kingdom

USAID : United States Agency for International Development

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Abstract

Over the years, multiple strategic alliances have become popular due to the benefits and flexibility they provide to organizations. This study's objectives were to determine the challenges of implementing multiple strategic alliances between Practical Action E A's WASH programme and NGOs within the health sector; and to establish how Practical Action East Africa copes with the challenges of multiple strategic alliances within the WASH programme. A case study design was adopted and both primary and secondary data collected, but more emphasis was given to primary data. The Practical Action East Africa management team that was interviewed included the water and sanitation team leader, the department's area coordinators, and the WASH project managers in Kisumu and Nairobi. The data collected was utilized to undertake analysis on the challenges of implementing the multiple strategic alliances between Practical Action East Africa and NGO's namely: KUAP, Umande Trust, Shelter forum and AMREF in the water and sanitation sector in Kenya. From the research findings, it can be concluded that the main challenges of implementing multiple strategic alliances between Practical Action East Africa's WASH programme and NGOs within the health sector related to mistrust among partners, partners' operational differences, lack of clarity of alliance goals and objectives, people management and partner's non performance; among others. It was also identified that alliances experienced negative competition due to power struggles emerging as the projects progressed. Clarity of partners' roles before signing contracts was cited as important, since it provided a framework to address challenges as they arose. With regard to how the programme coped with the challenges, various strategies had been put in place including clarity of roles at contract level, thorough vetting at partner selection, open communication channels and flexibility to adjust to environmental changes. The overall conclusion drawn out of this study was that most of the challenges of implementing multiple strategic alliances in the WASH programme originated not from technical aspects of the alliances but from people related issues and therefore managers out to give more attention to the people factor, which contributes highly to the success or failure of an alliance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Organizations, whether for profit or not for profit, private or public have found it necessary in the recent years to engage in strategic practices in order to achieve their goals and remain competitive in their markets. In today's global business, firms often cooperate rather than compete to enhance their competitiveness. In a business environment characterized by resource constraints and intense competition for customers, independent firms are increasingly employing cooperative strategies to achieve their strategic objectives and to cope with the highly turbulent environment (Johnson and Scholes, 2001).

Collaboration among firms is achieved through several ways which result to creation of joint ventures, mergers, acquisitions and strategic alliances. Strategic alliances, whether single or multiple; is one of the popular collaborative strategies employed by firms. In this study, challenges of implementing multiple strategic alliances will be studies in the context of the water and sanitation (WASH) programme in Practical Action East Africa; a non-Governmental organization in Kenya. The WASH programme runs projects in Nairobi and Kisumu, and has formed alliances with different local NGO's in the different locations, driven by the need to outsource non core activities, to expand their scope, be more efficient and access resources outside the organization's boundaries.

1.1.1 Concept of strategic alliances

Strategic alliance, often referred to as strategic partnership refers to an agreement between two or more companies in which they both contribute capabilities, resources or expertise to a joint undertaking, usually with an identity of its own, with each firm giving up overall control in return for the potential to participate in and benefit from the venture (Pearce and Robinson, 2011). These alliances must be strategic, meaning that the relationship has to be supported by executive leadership and formed by upper management.

Most alliances, both local and global are contractual relationships of greater complexity than traditional customer-supplier relationships. Firms engaging in strategic alliances remain legally independent, and thus continue to pursue goals outside the alliance and at the same time are able to gain competitive advantage through access to partner's resources, including markets, technologies, capital and people. Collaborating with others adds complementary resources and capabilities, enabling participants to grow and expand more quickly and efficiently (Yashino and Rangan, 1995).

Strategic alliances enable firms to gain competitive advantage through access to a partner's resources, including markets, technologies, capital and people, share costs, overcome trade barriers, reduce business risks and obtain economies of scale; amongst other advantages (Kazmi,2002). Besides these, rapid globalization, availability of efficient information systems, multi-culturalism, and improved logistical capabilities has also motivated formation of alliances. However on the other hand, alliances expose a firm's capabilities and in cases of failure, the losses are shared amongst partners.

Alliances have consistently increased over the past years. According to the Boston Consulting group report of 2005 on Alliances, the role of alliances in corporate strategy accounted for approximately 35% of global corporate revenues in 2002 up from 2% in 1980. The Economic Intelligence Unit global survey also records that the total world business conducted through strategic alliances has greatly increased since the 1990s which recorded 3-5%, 20% in 2000, 30% in 2005 and 40% in 2010 (EIU, 2011). Alliances therefore have become an integral part of corporate development and globalization in general and remain critical to competitive advantage of firms.

1.1.2 Challenges of implementing strategy

Strategy implementation is about a holistic connection of initiatives, assets, and competencies across an organization. It refers to the systematic manner in which strategies formulated by an organization are put in to action (Kazmi, 2002). Strategy implementation leads to plans, programmes, and projects. Besides having a sound and competitive strategy; successful implementation of strategy requires an organization to have clear and quantifiable strategic goals, enabling strategic initiatives, enabling strategic assets, and enabling change management competencies and tools. Management must make the commitment to promote strategy institutionalization, and to maintain focus on the agreed upon strategies and plans.

Often firms are faced with a myriad of challenges when they choose to implement any form of strategy. Downes (2001) states that the kinds of implementation challenges firms run into fall into two categories: problems internal to the company and problems generated by outside forces in its industry. The internal challenges include factors like inadequate top leadership support, weak or inappropriate management structure, insufficient strategy buy-in, inadequate resources to implement strategy, resistance to change, among others. External factors are mainly driven by changes in environmental factors and lack of partners' support, which can call for a totally different strategy.

1.1.3 Multiple strategic alliances and challenges

Strategic alliances are often opportunistic in nature (Gulati, 1998). Organizations can form one or multiple alliances, depending on the organization's goals and capabilities. Many studies have been done on single alliances and their management over the years but there exists very little research on multiple alliances, with scholars often acknowledging existence of firms with more than one alliance, and the complexities that come with multiple partnerships. The key features in managing alliances include corporate, financial, project, communication, staff and results management. Successful alliances draw their win from creating efficient systems on managing these features, which ultimately determines the alliance performance and achievements.

According to (Buono, 1997), multiple alliances, often referred to as portfolios are formed in cases where a firm requires to access different capabilities, operate in different geographical regions, or engages in different product lines. However, in cases of more than one alliance an organization faces the challenge of ensuring that the alliances do not overshadow its own identity and mission. The organization must also ensure that the different alliances do not compete with each other. In many cases, firms establish separate management units to manage the firm's extensive inter-relations.

Alliances management involves consideration of complex systemic issues associated with inter-relationships in strategy, structure, systems and staff in the participating organizations. Despite all the known benefits of strategic alliances, studies have shown that between 30% and 70% of alliances fail (Booz, Allen and Hamilton, 1997). Many of the challenges leading to the failure often originate from focusing on forming alliances rather than sustaining them. As a result, emphasis is given to the contractual elements while ignoring or underestimating the day to day operations and management of the alliance.

According to Ernst & Stern (1996), the challenge of managing alliances- whether single or multiple lies not in the technical aspects of alliances, but in the operational and people aspects of the collaboration. More often managers overlook the ability of partners to work cooperatively through uncertainties, conflicts and changing priorities. Besides the challenges arising from the complexity of alliances' structural complexities, the constantly changing business environment poses challenges to alliances partners and often demands change of the original plan, which may jeopardize the firm's own goals. Alliances contracts too are often misunderstood or too binding leaving no room for adjusting to environmental changes and thus becoming a source of tension among alliance partners.

Alliance success has often been associated with the partners' ability to effectively manage relationship issues. In the case of multiple alliances, resource capacity analysis plays a key role in ensuring that a firm's resources are adequate for the different alliances, which is often a challenge. The early processes of alliance formation highly contribute to the challenges of alliances, besides other environmental factors. For instance, poor partner selection together with poor resource capacity analysis can lead to misdiagnosis of partner capabilities, eventually causing failure to achieve the anticipated strategic capacity.

Lack of explicit support from top management in parent organizations has also been observed as a potential source of challenges in the implementation of strategic alliances often leading to internal competition instead of cooperation, control tensions, power imbalances, and increased lack of trust. Cultural backgrounds of both individuals and organizations in a strategic alliance too can be a source of challenges, especially in cases of multiple alliances.

Government policies too may create structural barriers, especially in international alliances. Firms therefore ought to study the policy environment before entering into alliances to ensure that the meet the government requirements to protect the alliance from future legal challenges. People management issues including selection of key personnel, performance appraisal, maintaining continuity of key personnel, and rewarding and compensation systems have also been identified as important human resource issues for strategic alliances.

Key causes of challenges in managing strategic alliances therefore originate from the operational level of management. Indeed, some scholars have identified conflicts in alliances to be related to unclear roles and expectations, unachieved goals, and power imbalances. This study focused on the challenges of multiple alliances, with focus on the case of Practical Action East Africa and her alliances with NGOs in the water and sanitation sector within Kenya.

1.1.4 The NGO sector in Kenya

The Kenya NGOs Co-ordination Act of 1991 defines a Non-Governmental Organizations (NGO) as a private voluntary grouping of individuals or associations not operated for profit or other commercial purpose but which have organized themselves nationally or internationally for the benefit of the public at large and promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to health, agriculture, education, industry and supply of amenities and services. The NGO sector in Kenya has recorded a significant growth between 2001 and presently, which could be attributed to the impact of globalization and the opening up of democratic space in Kenya.

The NGOs vary from small organizations operating locally to international ones with regional programmes, and are spread all over the country. There exist collaborations within the NGOs in Kenya, either amongst themselves, with Community Based Organizations (CBOs) or with corporate organizations. According to the survey, most NGOs collaborated with other NGOs (41%), followed by collaborations with Government agencies (28%), with Faith Based Organizations (11%), with CBOs (10%), with academic and research institutions and multi nationals (3%) and 1% with foreign missions (NGO Co-ordination Board 2009).

1.1.5 NGOs in the water and sanitation sector in Kenya

Although there is no record of the exact number of NGOs working in the water and sanitation sector in Kenya, it is estimated that there are over 100 NGOs involved in Kenya. NGOs are involved in WASH programmes in efforts to promote equitable and sustainable access to safe water and sanitation, and to safeguard water resources. Most WASH programmes that are supported by NGOs are either in urban informal settlements or in semi arid and arid areas in the country. Most of the WASH programmes are implemented in collaboration with the Government, local authorities or with community based organizations (CBOs).

NGOs with large operational scope often operate more than one strategic partnership, or alliance at any given time. This is justified by the fact that NGOs acknowledge other organizations that work in the same sectors, and are keen to avoid duplication of development efforts. As a matter of fact, many nonprofit organizations have developed suitable partnership alliance assessment tools which are helpful in selecting potential partners. NGOs form alliances to access donor funds, share technical skills, gain access to new regions, and to share costs of projects.

1.1.6 Practical Action East Africa

Practical Action is a registered charity in the UK under the direction of a Board of Trustees and with a regional office in Kenya, headed by a regional director. The organization has been working in partnership with local organizations for the last 20 years and has had both successful and failed strategic alliances. The organization is working in 5 districts and partners with over 8 local development organizations to implement programmes under the 4 key thematic areas i.e. Food security, universal access to energy, urban water, sanitation, waste management services (WASH), and disaster risk reduction.

The strategic alliances within Practical Action East Africa include alliance with national NGOs; international NGOs, Government agencies, and the private sector. The alliances are either at organizational level, or programme level. The programme level strategic partnerships are driven by the diversity of the organization's programmes. These alliances are crafted based on the different programmes and their capacity needs, and also the organization's desire to implement similar projects in different regions in the country. The organization is committed to especially building the capacity of local NGOs across the region by sharing knowledge, experiences and best practices and supporting the creation of functional pro-poor systems.

Under the WASH programme which was the focus of this study, Practical Action has strategic alliances with for organizations including Oxfam in Northern Kenya, Kisumu Urban Apostolate Program (KUAP) and Shelter Forum in Nyanza region, with the Kenya National Libraries in a nation-wide collaboration, with Umande Trust in Nairobi and Kisumu area, and with the local authority of Kisumu. This study focused on studying the multiple strategic alliances within the WASH programme in Kisumu and Nairobi areas; which are mainly with KUAP, Shelter Forum and with Umande Trust. These alliances are formed to reach different geographical areas and also to share partner capabilities.

Alliances operating in the Nairobi area under the WASH programme include the sanitation project in Nairobi in partnership with Umande Trust, AMREF and the Kenya National Library Services while partnerships in Kisumu include 3 projects with the Shelter Forum, Umande Trust and KUAP. The different alliances have operated for different time periods, ranging from 3 to 10 years.

1.2 Research Problem

Multiple strategic alliances have become a common practice as organizations seek to gain extra capabilities cost effectively, access new markets or even compete more effectively. It has however been observed that despite the growing popularity of alliances, collaborative success remains elusive for many firms with recent studies recording a failure rates in the 30-70% range. The real challenge of strategic alliances is to transform collaborative agreements into productive and effective working relationships. Challenges of implementing multiple strategic alliances can thus be traced directly to the partnership formation process, lack of clarity in strategic goals, limited resource, and organizational culture differences, and environmental changes among others.

The WASH sector in Kenya is recognized as one of the key pillars of social development in the country. Many NGOs projects under this sector and there exist a sizeable number of collaborations and alliances. Practical Action East Africa is one of the organizations implementing WASH programmes in different parts of Kenya. The fact that the organization works in different sectors of development, and in different parts of the country means that there is no single NGO which can be an only partner to Practical Action. Rather, the organization has pursued alliances with different organizations that share common objectives under the different thematic areas of food security, universal access to energy, urban water, sanitation, waste management services (WASH), and disaster risk reduction.

Studies focusing on strategic alliances have been documented (Ogega, 2010; Kamae, 2011, Kipchirchir, 2009, Owuor, 2004, Siboe, 2003, Mutinda, 2008). However, these studies have addressed different issues of strategic alliances. For instance, Siboe (2003) studies the strategic alliance between the European Union and the Government of Kenya, while Owuor (2004) studies strategic alliances and competitive advantage with focus on the case of major oil companies in Kenya. In the case of Kamae (2011), the study focused on the implementation of strategic alliances between USAID and commercial banks in Kenya.

The past studies have not only focused on different aspects of strategic alliances but also different contexts. Although there is evidence that organizations often operate more than one alliance, there is no known study that has focused on multiple alliances or strategic partnerships in Kenya, or even study specific challenges experienced implementing the multiple strategic alliances strategy such as in the case of Practical Action E.A. As many authors agree, strategic alliances have proven to be beneficial to organizations; yet they come with many challenges which often lead to failure. This study aimed at answering the question: what are the challenges of implementing the multiple strategic alliances between Practical Action East Africa's WASH programme and other NGOs in the water and sanitation sector in Kenya, and how does the organization cope with managing multiple strategic alliances?

1.3 Research Objectives

a) To determine the challenges of implementing multiple strategic alliances between Practical Action E A's WASH programme and NGOs within the health sector.
b) To establish how Practical Action E A copes with the challenges of multiple strategic alliances within the WASH programme.

1.4 Value of the study

The findings of the study will benefit any organization-both for profit and not for profit that would wish to pursue strategic alliances as a collaborative strategy. The study will provide valuable information on what challenges are experienced in managing multiple strategic alliances; and offer insights on how to manage the challenges.

Specific beneficiaries include international and local development organizations who often seek to collaborate with each other to deliver common projects aimed at different developmental goals, government policy makers who often enter into alliances with other governments, development organizations or for profit companies. Other foreseen beneficiaries to this study include researchers, either in academic, business or development specialists as a reference tool in developing strategic alliances for development organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature that is relevant to the subject of strategic alliances and their management. Both theoretical and empirical literature that relates to the concept of strategic alliances and the challenges of managing multiple strategic alliances is particularly presented with a view to provide the basis for identifying the variables of study.

2.2 Strategic alliances: Theories and concepts

Firms often face strategic challenges, requiring strategic response which is sometimes radical. Strategic alliances form one of the highly profitable strategic options available, yet which is equally risky if not well managed. The term strategic alliance is sometimes used interchangeably with corporate coalition, strategic partnerships and competitive alliances- all referring to cooperative arrangements between two or more organizations. There exists many definitions of strategic alliances given by different management scholars who agree that strategic alliances are partnerships of two or more business units that work together to achieve strategically significant objectives that are mutually beneficial (Pearce and Robinson, 2011; Kazmi, 2002; Druker, 1996; Yoshino and Rangan, 2005).

Pearce and Robinson (2011), record that there exists several types of strategic alliances based on two dimensions of the extent of the organizational interaction and conflict potential between alliances. Strategic alliances can either be precompetitive or non competitive alliances. Precompetitive alliances are generally inter-industry, while non competitive alliances are intra-industry relationships. Alliances take a number of forms ranging from simple licensing agreements, ad hoc alliances, consortia, value chain partnerships, contracts, limited or general partnerships, strategic partnerships, joint ventures or even less formal forms such as referred networks Kazmi (2002).

In their paper on Viewpoints on Alliances, Booz, Allen and Hamilton (1997) emphasize on the fact that competition is no longer confined to a single nation's borders, thus making all firms vulnerable to threats posed by cooperative strategies. Globalization, rapid technology shifts and rapid need for product innovation all put pressure on organization's management to act faster and smarter yet with fewer resources. They continue to argue that enhancing a firm's core capabilities is the key challenge of the present time, as is agreed by Kazmi (2002) where he emphasizes on the need for organizations to focus on identifying and developing their internal core capabilities, while collaborating with others to improve their competitiveness.

Over the years, strategic alliances have evolved from duo partnerships to multiple partnerships. The true 21^{st} century corporations have seen their structures become an elaborate network of internal and external relationships aimed at acquiring extra capabilities at minimal cost. Businesses of today use alliances to achieve advantages of scale, scope and speed; to increase market penetration, to enhance competitiveness in domestic and global markets, to enhance product development, to develop new business opportunities and products, to increase exports, to diversify and to reduce costs.

2.3 Drivers of strategic alliances formation

As observed by Johnson and Scholes (2001), in a business environment characterized by resource constraints and intense competition for customers, firms are increasingly employing cooperative strategies to achieve their strategic objectives. There exists no one single firm possessing all the preferred capabilities and this has further complicated the collaborative efforts of firms, leading to formation of complex relationship structures which either form multiple alliances or partnerships, networks, portfolios or constellation.

The main theoretical drivers of strategic alliances are anchored in the resource based view and in the risk based view. According to Pearce and Robinson (2011), the resource-based approach examines competitiveness based on the resources possessed by the firm, rather than on the basis of its products. Firm-specific resources lead to a firm's competitive advantage. These firm specific resources can either be tangible or intangible and are categorized into financial, technological, physical and managerial resources. Examples of the resources include capital, technologies, skilled personnel, machinery, brand names, human managerial expertise, reputation, among others. Different firms will posses different core resources, thus creating a need to find access to the lacking resources probably by seeking partnerships.

Apart from liberalization of the world economies, globalization has spurred the growth of strategic alliances (Gulati, 1998). Strategic alliances have broken regional, national and international boundaries leading to creation of complex business networks all over the world. Global partners can help local firms by developing global quality consciousness, creating adherence to international quality standards, profiting from access to state of the art technology, gaining entry into word-wide mass markets and making funds available for expansion.

Other factors that have led to strategic alliances include the availability of professional management expertise, international reputation, global brand name and brand equity. The pursuit to gain entry into the international markets too has contributed greatly to formation of strategic alliances. Growth of infrastructure sectors like telecommunications has seen local and global firms come together to form strategic alliances which create synergistic benefits where both create advantages for each other .

The risk based view of strategic alliances on the other hand gives more focus to the sharing and controlling of risks. According to Thompson (1967), the control of uncertainties and risks in one's environment forms the essence of management. In many cases, strategic alliances are formed to mitigate the degree of risk faced by individual firms especially in research and development alliances, marketing and production alliances.

While cost and risks for a single firm could be ordinarily high, alliances allow multiple firms to share the total cost and risk (Das and Teng, 1997). The risk based view however also alludes to the fact that alliance partners also share risks that may be as a result of one the partners' actions, creating one of the vulnerabilities of alliance partners. In cases where a firm is in multiple partnerships, managing the risks from the different relationships is even more complex and demanding.
Besides these broad reasons for strategic alliances, Kazmi (2002) describe the following reasons for firms entering into multiple strategic alliances; both locally and internationally:-

Entering new markets: A firm that has a successful product or service may wish to look for new markets in the global markets. Doing so by own capabilities may seem difficult especially when a firm seeks to explore foreign market that exists in a totally different environment. Entering into strategic partnerships with a local firm in the targeted country is more profitable since the local firm understands the market better and could benefit from the countries legal infrastructure due to local ownership. This is one of the reasons why multinational corporations get into strategic alliances with firms in local target markets.

Reducing manufacturing costs: strategic alliances are sought to pool resources to gain economies of scale or make better utilization of resources in order reduce manufacturing costs. This is especially true of precompetitive alliances where long term relationship is developed with suppliers and buyers. Therefore a multinational firm may acquire strategic alliances with firms operating in countries where factors of production are more favourable for the alliances in activities like raw material outsourcing, component production, assembling etc.

Developing and diffusing technology: strategic alliances may be used to develop technological capability by leveraging the technical expertise of two or more firms. This may be difficult if firms operate independently. Some countries enjoy the benefits of advanced technologies due to national investments in research and development and thus attracting strategic partnerships from multinationals who wish to advance their global business through technology or who are in technology related business.

To accelerate product introduction: New products and services are imitated quickly by competitors and thus the need for speedy introduction to markets to pre-empt the imitation. For instance, a global firm may introduce new products in foreign markets quickly with the help of local firms in different countries. Overcoming legal and trade barriers also can be reason for a firm to enter into strategic alliances. Some countries insist upon local participation before permitting foreign firms to enter their markets and thus strategic alliances could be useful to penetrate such markets. E.g. for a multinational shipping agent to enter the Tanzanian market, 51% of the firm must be owned locally.

Strategic alliances, like any other strategy with high yields also have some disadvantages, and more so when they are multiple. Alliances are costly not in terms of direct resources leaving the firm but rather due to the returns which a firm can be denied. Yoshino and Rangan (1995) concur that indeed alliances can create indirect costs by blocking the possibility of cooperating, thus denying the firm variety of strategic options in the period when the organization is contractually bound to the alliance.

Alliances could also expose a firm's unique capabilities to its partners, who could later become competitors and thus to some extent increase a firm's own competition. A change in the competitive environment in the field could also affect alliance outcomes. For instance, many alliances formed before the global recession that started in 2008 could be rendered obsolete, expose firms to deadly risks. However, the overall risk and benefit analysis of strategic analysis reveals more benefits that risks, thus making entering into alliances a strategic move by firms.

2.4 Managing multiple strategic alliances

An organization can form one or multiple alliances, depending on the organization's goals and capabilities. Organizations, whether for profit and non-profit see strategic alliances as prime opportunities for growth, knowledge, efficiency and profitability. However, in cases of more than one alliance, an organization faces the challenge of ensuring that the alliances do not overshadow its own identity and mission (Yoshino and Rangan, 2005).

Like many of other attractive strategic options, managing alliances is often more complex than anticipated, leading to the high failure rate recorded by many scholars. In his book, Drucker states "The greatest challenge in cooperate culture, and the way business is being conducted, may be the accelerating growth of relationships based not on ownership, but on partnership" (Drucker, 2006). Indeed studies have shown that despite all the known benefits of strategic alliances, between 30% and 70% of alliances fail. They neither meet the goals of their parent companies nor deliver on the operational or strategic benefits they purport to provide (Bamford, Gomes-Casseres, & Robinson, 2004).

Multiple strategic alliances are a demanding strategy in terms of leadership and human relations skills of the managers involved. When unsuccessful they can have devastating effects on the parties involved but when successful they can be intensely rewarding and motivating (Kazmi, 2002; Pearce and Robinson, 2011) agrees that strategic alliances if not managed well can lead to major risks to the firm.

Many of the challenges leading to the failure originate from focusing on forming alliances rather than sustaining them. In today's highly dynamic business world managers are known to enter into alliances as a quick fix to counter competition, rather than to achieve a strategic objective. Emphasis is given to the expected benefits of the alliance, rather than the process of achieving the goals. As a result, emphasis is given to the contractual elements while ignoring or underestimating the day to day operations and management of the alliance.

In their study on strategic alliances and joint ventures, Dess, Peters and Walters (1994) recommend four principles for effective management of alliances. These include clear definition of alliance strategy and assigned responsibilities, blend of cultures of partners, phase in the relationship between partners and a clear exit strategy.

It is important to clearly define the strategies to be adopted in the formation of an alliance. A well written alliance agreement with clearly defined responsibilities of the partners is important since it helps clarify roles and avoid duplication and conflict. Trust and commitment are a prerequisite for any cooperative strategy to work sustainably. Giving adequate opportunity to partners to know each other well also helps build a firm foundation in strategic alliances. A partnership succeeds not because of the implementation of the alliance agreement but because of the understanding between the people involved and thus the need to synchronize the partners' cultures as much as possible. It is also prudent to provide an exit clause in the unfortunate case of alliance failure or unachieved alliance objectives.

2.5 Challenges in managing alliances

In his paper "Strategic alliances" Richard J. Chernesky (2006) evaluates six of the most frequent problem areas which lead to alliances' failure. Rai and Borah (1996) also discuss the factors that contribute to challenges in managing alliances- whether single alliances of alliances with many organizations. Lack of clarity in alliance strategy, goals and objectives is great challenge in strategic alliances, and often leads to failure. Often, firms enter into alliances to counter industry competition or to correct internal weakness. This opportunistic approach to formation of alliances can lead to lack of grasp of the basic partnership strategy. Mutual agreement on the purpose of the agreement is important in providing institutionalized direction, whether for single or multiple alliances.

Cultural backgrounds of both individuals and organizations in a strategic alliance too can be a source of challenges, especially in cases of multiple allowances. Many authors concede to the fact that different firms have different organizational cultures, especially in cases where they operate in different industries or different countries. These cultures are built over time and eventually get institutionalized; making them a key influence to how partner organizations operate. Cultural problems include language, people relationships, attitudes towards business etc. Culture increases the complexity of managing alliances, thus the importance of blending the cultures (Kazmi, 2002).

Lack of explicit support from top management in parent organizations has also been observed as challenge in the implementation of strategic alliances. For alliances to be truly strategic they must be formulated, implemented, managed and monitored with the full commitment of senior management to ensure that they receive the necessary resources and also show the organization's commitment to the alliance. In multiple alliances, firms face the challenge of balancing loyalty to different alliances, while at the same time pursuing the firm's own goals.

The choice of partners has a significant impact on the performance of an alliance since it determines the mix of capabilities available to the alliance (Thomson, Strickland and Gamble, 2007). The selection can be a complex process with organizations faced with the challenge of determining if the resources of a likely partner have the capacity required for the alliances. Organizations are thus tasked to determine the values, commitment and capabilities of potential partners, which if misdiagnosed can lead to wrong choice of partners.

People management is another source of challenges in alliances management. Staffing and selection of key personnel for alliances, performance appraisal, maintaining continuity of the key personnel, and rewarding and compensation systems have been identified as important human resource issues for strategic alliances. Multiple strategic alliances involve multiple teams of persons from different partners and thus further complicating the management of team expectations, performance, direction and motivation. Alliances performance depends on the human resource allocated to them and thus the importance of ensuring that an alliance has the right, and adequate team to deliver the set objectives.

Performance risks are part of the uncertainties in today's business environment. An alliance may fail, even with partner's full commitment. According to Das and Teng (1999), the source of performance risks include environmental factors such as government policy changes, war and economic recession; market factors such as fierce competition and demand fluctuations, and internal factors such as lack of competencies in critical areas, or sheer bad luck. Alliance partners thus have to be alert to changes in their business environment and collectively make timely decisions on relevant adjustments to their partnership agreement.

Lack of clarity of goals and objectives is a common challenge in implementing multiple strategic alliances. Over the years, alliances have been understood to be quick solutions to organization's limitations which have shifted the focus of their formation from collective goals to individual gains (Kazmi, 2002). Indeed where partner organizations do not share a common understanding on objectives, alliances may become a source of competition rather than collaboration. Successful alliances often fix the responsibilities and authority of alliance managers and adopt a periodic structured review process. They also plan to build strong working and reporting relationships- both external and internal, and foster loyalty to the alliance, not to the parents.

Besides the discussed sources of management challenges, poor project management, too many projects, inadequate resources, conflicting organizational goals, focus on personal gains, inability of partners to work well together, changing conditions that render the purpose of the alliance obsolete, emergence of more attractive technological paths and market rivalry between one or more allies can create a challenging environment for managing alliances, and even lead to failure (Thompson, Strickland and Gamble, 2007). All these factors can overwhelm an organization which after all still retains its individual goals and objectives.

2.6 Causes of success of strategic alliances

Successful strategic alliances go well beyond simple legal contracts. They are characterized by social ties such as a trusting relationship between alliance partners, friendships, and even making sacrificial changes for the sake of the relationship. While an alliance plan may be analytically sound, its chances of success depend on many indeterminate elements such as competitive reaction to alliance, corporate culture, organizational structure, resource base, overall fit within the corporate long-term strategy and the willingness of partners to dedicate high calibre people and resources (Booz, Allen and Hamilton, 1997). Therefore, preparation of a realistic feasibility study would help determine firms' compatibility for alliances. Many times firms are however opportunistic, leading to quick crafting of partnership agreements with many loopholes.

Risk management and mitigation also determines the success of alliances. Managers should understand key risks that an alliance can create and how to deal with them. Predicting the effects of alliances on competitiveness and tailoring management systems and processes unique to the alliance requirements helps in ensuring alliance sustainability. Linking the alliance budget to available resources too is critical in achieving alliance goals and success. Establishing strategic priorities derived from clear alliance objectives and translating them into budgets operational plans, matched with capable personnel would stir alliances to success.

Partner selection is perhaps the most important step in creating successful alliances (Kazmi, 2002). It calls for an intensive process which if done correctly can lead to a high quality and long lasting relationship. Firms should have knowledge on their potential partners' management culture and strategic objectives before committing in partnership agreements. Poor partnership choice often driven by the need for quick results is one of the leading causes of alliance failures.

Continual assessment of preface against short and long term goals and objectives is vital for success, coupled by clarity of roles in alliances. A manager at Hewlett-Packard, Bryon Look states that: "after each alliance is formed, we hold a post mortem with all the involved parties. We look at the original objectives, the implementation, what went right, and what went wrong. The results of these reviews are summarized in briefing reports which are distributed to management and keyed into a strategic alliance tracking database." (Ernst & Stern, 1996). A global NGO, World- Wide Fund for Nature (WWF) has created a partnerships and alliances management system with a detailed partnership performance evaluation procedure.

According to Gulati (1998), the success of alliances, whether single or multiple depends on several key factors; formation of the alliances, governance of the alliances, evolution of the alliance and networks and performance of the alliances. Different firms therefore will experience different challenges in managing alliances since each of the alliance partners in unique in structure and strategic intents. The more alliances and partnerships an organization enter therefore, no doubt stretches the organization management capacity, and increases both the organization's opportunities and risks.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1: Introduction

This research methodology chapter presents a description of how the study was approached. It presents the plan of the research, that is, the research design, how data was collected and from whom, and the data analysis technique that was used to analyze the data in order to generate the findings of the study.

3.2 Research design

The problem posed by this study is best studied using a case study method. A case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than the breadth of a study (Cooper & Schindler, 2003). This research design aims at determining the what, when, and how of a phenomena; which was the concern of this study.

This type of study research was preferred because it describes in depth the characteristics of behaviour or condition and is the most appropriate for studying a subject in detail to bring up the unique issues such as set in the objectives of this study. The study hoped to produce evidence that leads to understanding of the case and answering the research questions.

3.2: Data collection

The type of data collected was majorly qualitative data. The data involved both primary and secondary data, with more emphasis given to primary data. Primary data was collected through interviews using open ended questions covering issues of management and challenges of multiple strategic alliances.

The Practical Action East Africa management team that was interviewed included the water and sanitation team leader, the area coordinators, and the WASH project managers in Kisumu and Nairobi. The secondary data was collected through documentation review from previous research findings, reports and strategic plans of Practical Action East Africa that were done in the last 5 years, as well as papers by the organization.

The interview guide was developed with careful consideration of current development approaches by NGOs and Practical Action’s choice of collaborative strategies. The guide was designed in a way to deduct answers in the research question.

3.3 Data analysis

Data analysis is a practice in which raw data is ordered and organized so that useful information can be extracted from it. It was expected that most of the data was qualitative and was collected from a single organization, and thus was analyzed using content analysis technique. According to Mugenda and Mugenda (1999), content analysis is the systematic qualitative description is the systematic qualitative description of the composition of objects or materials of the study.

Content analysis allows the researcher to understand the underlying content. Descriptive statistics were also used to analyze the data by percentages and proportions and the results presented using tables and pie charts. A summary and recommendations based on the findings was drawn and presented as part of this study.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter outlines the study's data analysis on the challenges of implementing the multiple strategic alliances between Practical Action East Africa and NGO's namely: KUAP, Umande Trust, Shelter forum and AMREF in the water and sanitation sector in Kenya. To achieve this objective, line managers who in this case are referred to as programme and project managers or project officers were targeted to provide data. Out of the 8 targeted managers who are involved in managing the WASH programme alliances at Practical Action EA, 6 were available for interviews which provided an adequate respondent for this study. The data collected was analyzed using content analysis and findings presented using appropriate graphs and tables, besides thorough qualitative analysis.

In carrying out the study, respondents were to respond to general Practical Action EA WASH programme demographic characteristics, before holding discussions on the challenges experienced in managing multiple strategic alliances. Besides this, the respondents were also given a list of factors which influence the success or failure of alliances and gave their response indicating the extent to which they perceived the factors to influence the WASH programme.

4.2 Strategic alliances demographics

Content analysis was undertaken systematically in accordance with the respondents' responses during the interview sessions which were carried out with the 6 available managers including the programme team leader, 2 area managers and 3 project managers both from the Kisumu and Nairobi WASH teams.

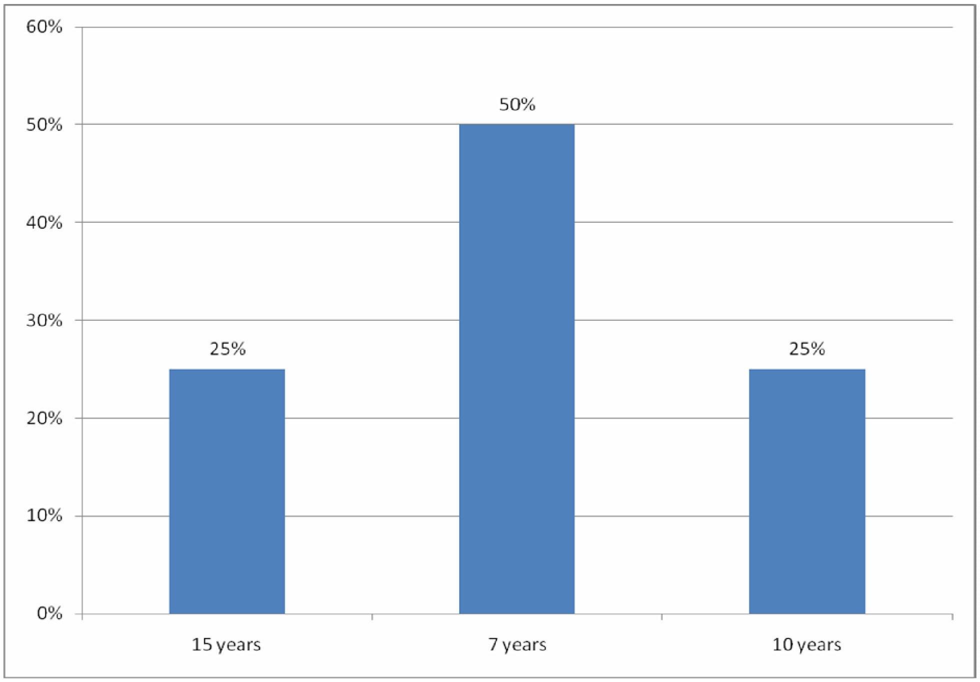

Figure 4.1: Number of years worked in the WASH programme

Figure 4.1 illustrates the number of years the respondents' had worked in the WASH programme. According to the figure, majority of the respondents (50%) had worked in the programme for 7 years, 25% had been involved in the programme for 15 years and another 25% had been involved in the programme for 10 years. This finding indicates that the partners involved in the programme had been implementing multiple strategic alliances within the WASH programme for an adequately long period of time; hence they were in a good position to report on the challenges faced.

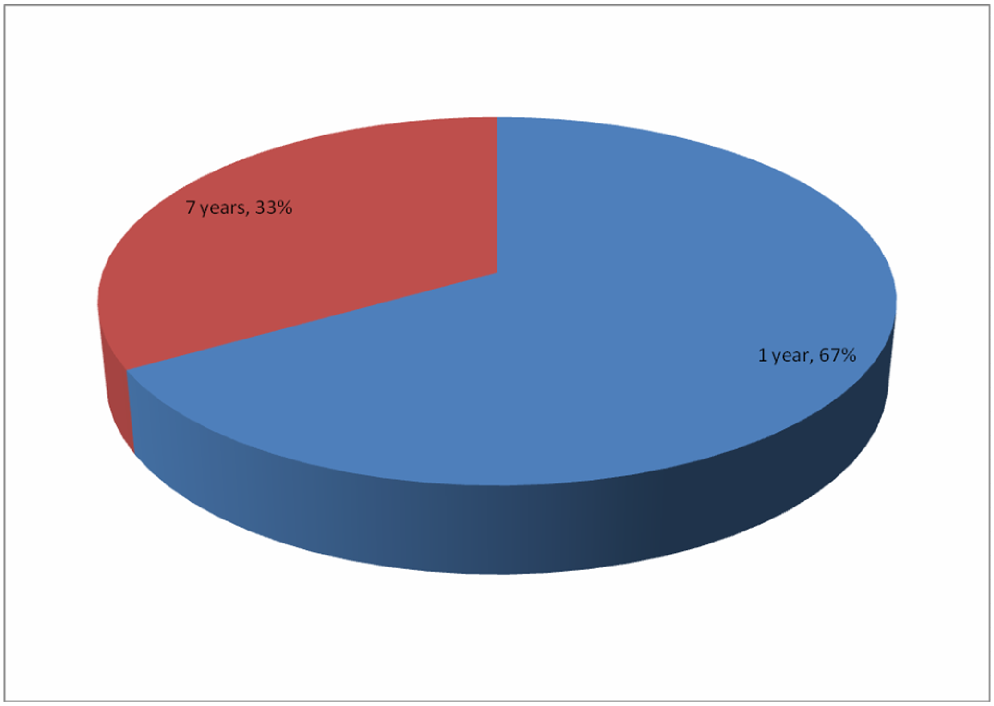

Figure 4.2: Period of time the WASH programme operated multiple alliances

Figure 4.2 illustrates the period of time the WASH programme operated multiple partnerships. According to the figure, majority of the respondents (67%) indicated that the programme had operated multiple alliances for at least 1 year while 33% indicated that multiple alliances had been operated for a period of 7 years. These differences originated from the fact that the geographical areas had operated multiple strategic alliances for different periods of time. This finding indicates that WASH programme had been implementing multiple strategic partnerships for a period of at least 1 year.

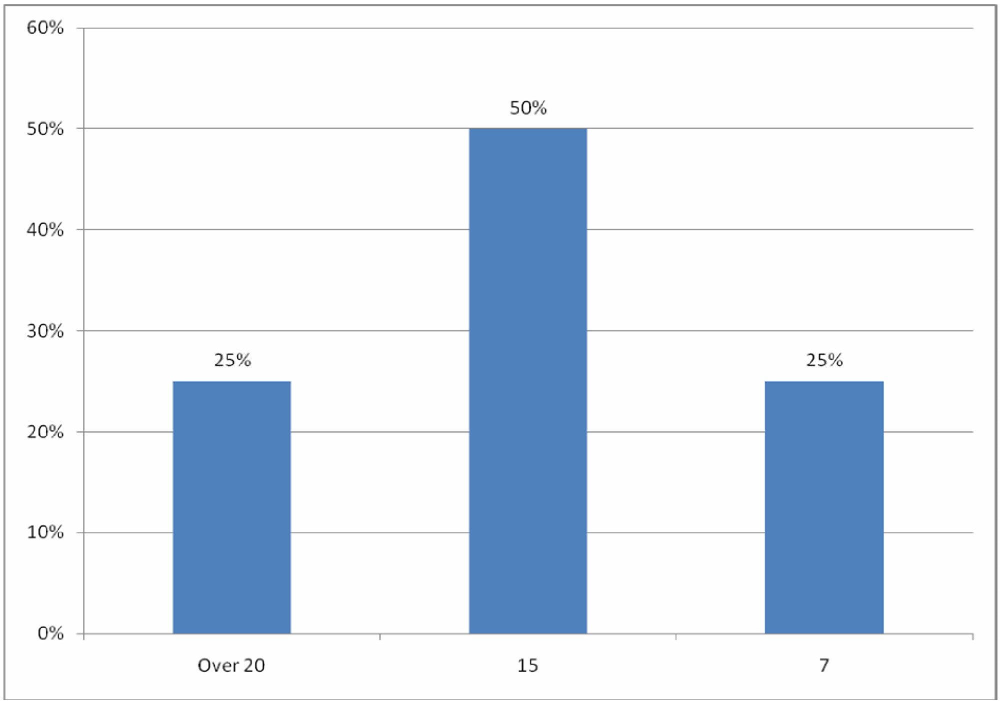

Figure 4.3: Partnerships/alliances managed under the WASH programme over the last 5 years

Figure 4.3 above illustrates the number of partnerships Practical Action EA had under the WASH programme over the last 5 years. According to the study findings, majority of the respondents (50%) indicated that the programme had fifteen (15) partnerships over the last five years in different areas in the country, 25% had over twenty (20) partnerships under the programme and another 25% had seven (7) under the programme over the last five years. This finding indicates that the organization was involved in the implementation of multiple strategic alliances and had a significant number of partnerships/alliances under the WASH programme.

Table 4.1: Reasons for entering into strategic alliances under the WASH programme

Reasons for entering into strategic alliances, and more so multiple strategic alliances within the same programme
(i) In order to scale up the tested successful interventions and also disseminate good lessons learnt
(ii) Leveraging on skills and experiences of other partners to address common goal
(iii) Leveraging scarce resources in development work
(iv) Scale up of impacts through synergy outputs
(v) In compliance of current trends of donors to fund consortium rather than single organizations
(vi) For enhanced interventions, avoid duplication and to disseminate successful lessons
(vii) To encourage synergy
(viii)To reach broader geographical areas
(ix) To access specializations that we don't have

Table 4.1 illustrates the major reasons that were reported by the respondents for entering into strategic alliances, and more so multiple strategic alliances within the WASH programme. The table indicates that resource mobilization and leverage, especially human resource skills and organizational competences were a major reason for getting into strategic alliances. This finding indicates that the organizations involved in the implementation of multiple strategic alliances had various specialized skills and competencies; and operated experiences in different areas, hence there was need to form alliances in order to leverage these abilities of the partners under the WASH programme.

This finding reinforces Johnson and Scholes (2001) observation that there exists no one single firm possessing all the preferred capabilities and this has further complicated the collaborative efforts of firms, leading to formation of complex relationship structures which either form multiple alliances or partnerships, networks, portfolios or constellation. Firms engaging in strategic alliances however remain legally independent, and thus continue to pursue goals outside the alliance and at the same time are able to gain competitive advantage through access to partner's resources, which is a major contributing factor to challenges.

Table 4.2: Option for entering into strategic alliances under the WASH programme

Option for entering into strategic alliances in implementing the programme
(i) Scaling up the works
(ii) Disseminate information
(iii) Learn new approaches
(iv) Learn more on partnership
(v) By selecting them, capacity building and funding, they help in scaling up our work with potential of reaching higher numbers of beneficiaries
(vi) The strategic partnerships also help in reaching out to larger geographical spread
(vii) Leveraging resources (skills/experiences, funding etc) to do more work
(viii) Broaden knowledge on partnerships and approaches
(ix) Effective implementation and sustainability of the Project

Table 4.2 illustrates the respondents' option for entering into strategic alliances in implementing the Practical Action EA WASH programme. The table indicates that the respondents would opt for strategic alliances for the following reasons: scaling up the works; dissemination of information; learning new approaches and more on partnership; scaling up capacity building and funding hence potential of reaching higher numbers of beneficiaries; helping in reaching out to larger geographical spread; leveraging resources (skills/experiences, funding, equipment etc) to do more work; broadening knowledge on partnerships and approaches; and for effective implementation and sustainability of the project.

The finding is in line with the main theoretical drivers of strategic alliances anchored in the resource based view and in the risk based view as pointed out by Pearce and Robinson (2011). They further indicated that firm specific resources can either be tangible or intangible and are categorized into financial, technological, physical and managerial resources. Examples of the resources include capital, technologies, skilled personnel, machinery, brand names, human managerial expertise, reputation, among others. Different firms will posses different core resources, thus creating a need to find access to the lacking resources probably by seeking partnerships.

4.3 Challenges in implementing multiple alliances strategy

The objective of the study was to determine the challenges of implementing multiple strategic alliances between Practical Action E A's WASH programme and NGOs within the health sector, and establish how Practical Action E A copes with the challenges of multiple strategic alliances within the WASH programme. During literature review, several issues originating from the operational level of management were identified to be key challenges of multiple strategic alliances. The main factors identified include lack of trust, resource allocation, clarity of alliance goals and objectives, operational differences among partners, people management, partner choice, alliance performance, power/control struggles, communication, organizational and cultural differences between partners, and lack of top management support to the alliance.

The key features in managing alliances include corporate, financial, project, communication, staff and results management. During the data analysis, a clear trend emerged based on the respondent's level of management. Respondents who were at the top management level reported organization level challenges like organizational and cultural differences between partners, lack of trust and alliance performance, while the midlevel management (projects managers) were more concerned about the operational challenges of multiple strategic alliances with specific issues being operational differences among partners, resource allocation, lack of clarity on alliance objectives and people management.

The tables below represent feedback obtained from respondents at different levels of management when asked to list the different challenges in order of the most experienced challenge. The rating is on a scale of 1 to 5, with 1 being the highest rated challenge.

Table 4.3: Top level management rating for challenges of implementing multiple strategic alliances

Alliance challenge	**Rating**
Organizational and cultural differences between partners	1
Partner choice	2
Alliance performance	3
Clarity of alliance goals and objectives	4
Lack of trust	5

From the response in table 4.3 above, top level managers rated organizational and cultural differences between partners and alliances performance as the top challenges in implementing multiple strategic alliances. Respondents explained that many times partners did not demonstrate the competencies they promised to deliver during selection, and this greatly affected the alliance performance.

Top managers also felt that as they learnt the partners more during implementation, core organizational differences emerged, making them feel like they chose the wrong partners. These coupled with the poor performance incrementally led to mistrust among the alliance partners and thus affecting the alliance implementation. This feedback supported the argument that the opportunistic nature of alliances often makes organizations enter into quick agreements before evaluating the implication and the true capacity of their partners.

Table 4.4: Mid level management rating for challenges of implementing multiple strategic alliances

Alliance challenge	Rating
Operational differences among partners	1
Clarity of alliance goals and objectives	2
People management	3
Resource allocation	4
Lack of trust	5

Table 4.4 above represents feedback from mid level management who felt that the two main challenges in implementing multiple strategic alliances are operational differences between partners and lack of clarify on alliance goals and objectives. They explained that often they are not involved in the alliance negotiating team which was mainly composed of top level management, and thus end up implementing the alliances as per the instructions received from their organizations, and not from an information point of the alliance expectations.

The mid level management also experience challenges of people management especially because of the multiple teams they had to manage under the different alliances. This challenge was further increased by the fact that the staffs working in the alliances was still answerable to their respective firms, and often were more loyal to their employers than to the alliance requirements. This further strained the people relationships in the alliances, leading to increased mistrust.

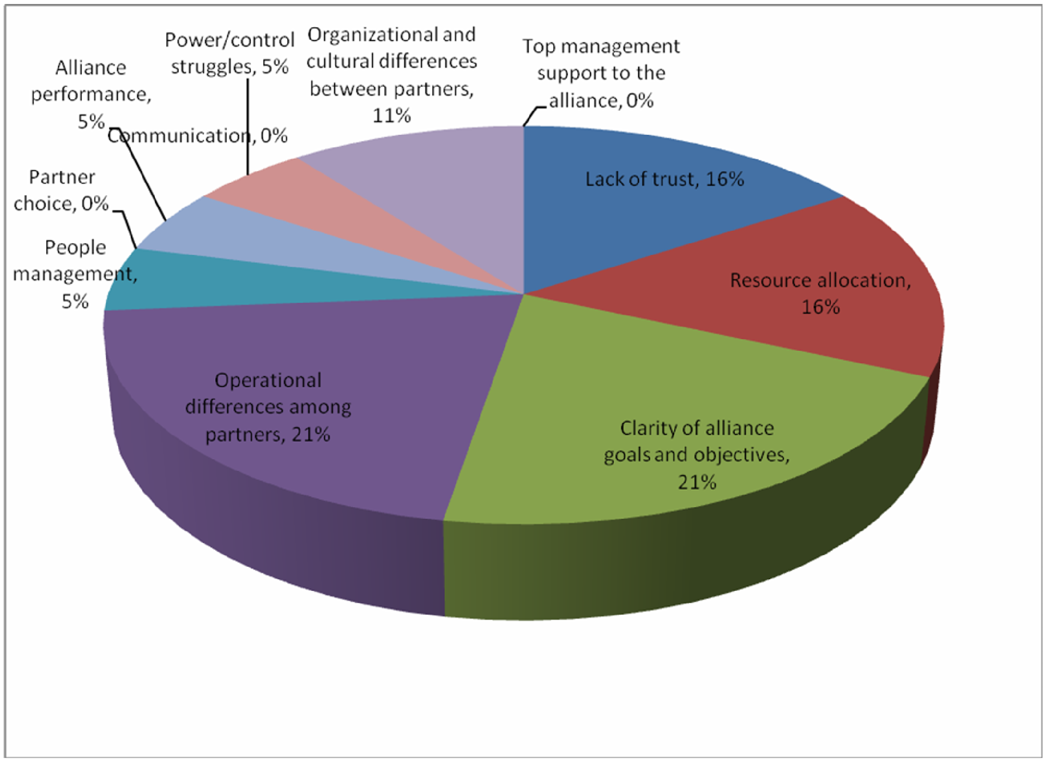

Figure 4.4: Collaborative factors posing challenges in implementing multiple alliances strategy

Figure 4.4 illustrates the challenges in implementing multiple alliances strategy as experienced by different managers in the Practical Action E A WASH programme. According to the figure, majority of the respondents (21%) ranked clarity of alliance goals and objectives; operational differences among partners (21%); resource allocation (16%); lack of trust (16%); organizational and cultural differences between partners (11%); people management (5%); alliance performance (5%); and power/control struggles (5%) among the top five challenges in implementing multiple alliances strategy under each of various partnership factors in the WASH programme.

This finding indicates that the organizations involved in the implementation of multiple strategic alliances were mostly facing challenges in regard to the clarity of alliance goals and objectives as well as operational differences among partners. These two challenges not only relate to people interpretation of issues, but also to organizational cultures and practices. The finding can thus be inferred to echo Kazmi

(2002) who indicated that firms should have knowledge on their potential partners' management culture and strategic objectives before committing in partnership agreements. The fact that many strategic alliances are opportunistic in nature also often leads to quick choices and decision on the partnerships and thus contributing the alliance failures.

Organization's freedom to pursue own interests despite their role in a strategic alliance also contributes to lack of cohesion in partners' operations since organizations are free to commit the same resources to pursue other goals. Besides this, the constantly changing business environment poses challenges to alliances partners and often demands change of the original plans, which can too jeopardize the alliance goals.

Table 4.5: Challenges experienced in implementing the multiple strategic alliances and coping strategy under the WASH programme

Challenge	**Coping Strategy**
Mistrust	- Sharing of information - Communication, openness and sharing -Declaration of capacity before alliance contracts
Power struggles	- Branding-ensuring incorporation of all engaged organization logos in reports and joint letter head -Contracts with clear roles for each partner
Alliance performance	- Holding shared understanding of project reporting schedules and outputs, with regular monitoring of their work -Inbuilt programe monitoring systems
Limited/lack of skills and resources	- Training of lead staff involved in the project implementation
Communication	- openness and sharing
Clarity of alliance roles and goals	- Memorandum of Understanding during partnership engagement should spell out how visibility and credit share be shared among the partners to avoid mistrust

Table 4.5 illustrates the respondents' feedback on the challenges experienced in implementing the multiple strategic alliances and the coping strategies employed by the WASH programme. The table indicates lists the following challenges: mistrust; branding; compliance to quality reporting deadlines; funds expenditures and financial reporting challenges; capacity to properly execute key project deliverables; and visibility and credit sharing on the project work.

Besides the above response, the respondents also indicated various coping strategies that were in place to overcome the said challenges. The highlight of the coping strategies is that in most cases the programme sought to clarify most matters at the contract document during alliances formation, and most of the challenges were not technical in nature but about people's interpretation of the alliances. In addition, the respondents also gave comments on the challenges in implementing multiple alliances strategy under several factors as follows:

4.3.1 Partner choice

Many alliances failures have been associated with wrong partner choices. Poor partner selection together with poor resource capacity analysis can lead to misdiagnosis of partner capabilities, eventually causing failure to achieve the anticipated strategic capacity (Kazmi, 2002). Firms often focus on screening the financial wellness of organizations, thus overlooking the other required capabilities.

Respondents felt that in cases where partners are selected within a short period of time, the capacity of the partners was often overrated, leading to wrong assumptions on the partners capabilities. This negatively affected the roles assigned to the specific partner, and the overall alliance performance in cases where the partners are unable to deliver their respective responsibilities as expected. Indeed the risk of making wrong partner choices was highly rated as a challenge by top level management.

To avoid wrong partner choice, the managers considered that organizations should give adequate time to partner selection, and have a thorough selection criterion to help identify partner's real capabilities. Respondents acknowledged that it is difficult to accurately gauge a partner’s capacity before the implementation begins and often gaps emerged after contracts were already signed and implementation began. Coping strategies are also encouraged mainly through early identification of partner capacity needs and planning to develop any wanting capacities.

4.3.2 Clarity of partnership goals and objectives

It is important to clearly define the strategies to be adopted in the formation of an alliance to promote consistency in executing the alliance plan. A well written alliance agreement with clearly defined responsibilities of the partners is important since it helps clarify roles and avoids duplication and conflict.

From the respondents’ experience, sometimes the objectives of the alliance were in competition or in conflict with the partner’s individual strategies, making it difficult for staff to adjust to the alliance requirements, or even adapt to the new required practice. In cases where the alliance contract or MoUs were not detailed with specifics requirements of the alliance, conflicts often emerge as partners interpreted their roles differently.

The respondents agreed that there was need for partners to have a common understanding on the alliance objectives, and their roles. This should happen at the beginning of the alliance and should involve both top and mid level managers. This echoed Yoshino and Rangan (1992) sentiments that here are three partner attributes that contribute greatly to the success of alliances. These include partner compatibility, partner commitment and partner complimentarily. An alliance balanced with these traits is most likely to be much easier to implement, and thus higher possibilities of success.

4.3.3 Top management support to the partnership

Lack of explicit support from top management in parent organizations has been observed as a potential source of challenges in the implementation of strategic alliances. It often leads to internal competition instead of cooperation; control tensions, power imbalances, and increased lack of trust (Gulati, 1998).

From the respondents experience, if top management is not kept informed on the alliance implementation progress and challenges, there is risk of top management to grow out of touch with the process and thus may in future not support decisions taken or even approve any required changes. The fact that top management is not involved in the daily operations of the project could also promote their lack of support to the alliance.

A coping strategy for this is to ensure that there are regular updates on the alliance progress, and possibly have an alliance oversight committee that periodically reviews alliance achievements and progress. Top level management's role therefore is not just to sign alliance contracts but also to offer strategic leadership to the alliance, and ensure sufficient support is given throughout the implementation, with clear direction on exits or revision of objectives. Additionally, senior management support not only ensures that necessary resources are allocated to alliances but also demonstrates to others in the organization of the importance of the alliance.

4.3.4 Partnership performance

Alliances are formed with expectations to deliver benefits to the partners. According to Das and Teng (1999), there exist many factors that can lead to poor performance. Apart from the environmental conditions which may alter alliance results like government policy changes, war and economic recession and market factors such as fierce competition and demand fluctuations, internal factors such as lack of competencies in critical areas, or sheer negligence can lead to poor alliance performance. Performance risk also includes the possibility of an alliance failure, even after partner organizations have fully committed themselves and delivered their roles as per plan.

Partnership performance was reported by managers to be one of the greatest challenges of implementing multiple strategic alliances. Indeed all the 6 respondents- both in top and mid level management rated it to be among the top 3 challenges faced. Failure of one partner to perform often jeopardizes the alliance, and leads to further complications of the alliance relationship. In the case of the WASH programme, performance challenges were experienced in delays in implementation of roles, meeting reporting timelines and in availing relevant resources as per partners' commitments.

To cope with the challenges arising from performance risks, the WASH programme managers have ensured that alliance contracts though firm are flexible enough to allow disciplinary action on non performing partners or even termination if justified. It is however difficult to change donor projects partners before end of the planned project period. In cases where poor performance is a result of the external environmental changes, the project team develops appropriate strategy to counter the challenges, affirming the requirement of strategy level managers to value the alliance enough to make critical and timely decisions when required.

4.3.5 Organizational cultural differences between partners

Alliances are believed to works not because of the implementation of the signed agreements but because of the understanding between the people involved and thus the need to synchronize the partners' cultures as much as possible (Thomson and Strickland, 2007). This is often difficult because culture is nurtured over time; and most partners still pursue their individual organizational goals.

In respect to cultural differences, respondents detailed that many times alliances activities faced resistance from partner staff who were hesitant to change their practices to adjust to the alliance requirements, especially because alliances were seen as temporary goals. Indeed cultural practices which are already institutionalized in different partners were difficult to change, bearing in mind that the alliances under WASH programme were time bound.

Organizational cultures that posed challenge to alliance implementation included issues around human resource policies, per diem rates, number of annual leave dates, personnel welfare amongst other concerns, which were not technical or strategy related, yet they greatly affected the people aspects of the alliances. In cases of differences in fiscal years like in the case of the alliance with the Shelter Forum, confusion often arose with staff experiencing challenges in scheduling their work to fit into the alliance work, and also under their mother partner's framework.

To mitigate this challenge, synchronizing organizational cultures whether language, events schedules, human resource terms and other factors is important in reducing conflict during implementation of alliances. Clarity on culture issues concerning the alliance should be determined at the alliance formation stage, to prepare the partners to make necessary adjustments.

4.3.6 Communication

Communication is a factor that affects firms either positively or negatively; despite their form. Multiple strategic alliances therefore require extra attention to the channels of communication, levels of communication and communication responsibility. This study's findings show that many times communication among alliance partners was not structured, and thus a lot of communication breakdown was experienced. Communication channels sometimes were also unclear, leading to lack of responsibility allocation, thus promoting misinterpretation and confusion. This challenge was found to increase in cases of alliances that involved big teams of implementers.

To cope with the challenge, the WASH programme has clearly defined communication channels with clear responsibility holders defined. Sharing of information in an open and timely manner also helped increase confidence among the implementing teams, thus reducing communication challenges. Communication about budgets was found to be the most controversial, since withholding any information often led to increased mistrust and conflict.

4.3.7 Power/control struggles

Although organizations genuinely commit to pursue common goals in an alliance, they are often driven by self-interest rather than the alliance objectives (Rai and Borah, 1996). This opportunistic nature of alliances often derails firms from their role in alliances thus leading to power struggles during implementation of multiple alliances.

This study found that in many cases competition set in soon after the start of alliance implementation. The most common power struggle arose when one partner felt that contributed more resources that the rest and thus should be the leader. The WASH programme team leader reported that in the past they had cases where partners felt that Practical Action implementing team wanted to control the alliances since Practical Action had contributed more financial resources and physical assets to the alliance. Another common source of competition was manifested by a desire by partners to be the most visible in the alliance work, and to take most credit for the alliance achievements.

As emphasized by Chernesky (2006), clarity of roles at the formation of alliances is the ultimate strategy to avoid instances of control struggles in alliances. Organizations must ensure that all partners are treated equally during the implementation of the alliance, and that all roles assigned to different partners are equally important in achieving the alliance objectives.

4.3.8 Lack of trust

As alliances enter the implementation phase and partners begin to interact with each other more, differences and doubt begin to occur often leading to reduced trust. The findings of this study report that lack of trust in partners is among the top three causes of problems in implementing multiple alliances. As partners begin to know each other better, the perfect partner image created at the formation of the alliance is replaced by the true picture of partners. In cases where partner overrated their resources and capabilities, exposure of inadequacies often leads to doubt which built mistrust. Lack of openness, accountability, untruthfulness and transparency also contributed highly to reduced trust among partners.

Lack of trust was also reported by both top and middle level management staff to be amongst the 5 leading challenges of implementing multiple strategic alliances. To counter this challenge, the WASH management team employs strategies that promote increase in confidence among the partners. These include the sharing of all information and official documents regarding to the alliance which includes proposals, contracts, budgets, and work plans; and ensuring prompt sharing of information. Solving all arising problems in an alliance as promptly as possible also ensured that trust was maintained. As observed by several scholars, building trust in collaborations is one of the most difficult processes; yet without trust alliances often collapsed.

4.3.9 People management

Like in many other collaborations, managers often focus more on the technical and operational issues of alliances, thus overlooking the more soft but important aspect of people. People issues including selection of key personnel, performance appraisal, maintaining continuity of key personnel, and rewarding and compensation systems often becomes a challenge to alliance implementation. The ability of alliance managers to ensure cooperation amongst team members even in times of competing priorities and different opinions is vital in ensuring alliance success.

From the respondents' experience in managing multiple teams in the multiple alliances, the greatest challenge in people management originated from the big number of teams under the WASH alliances, and the fact that each team member had their organization's interests to defend, besides seeking their own personal recognition. The team leader and line managers reported that a lot of patience and tact was required in managing the diverse people resource, but also a high level of discipline and firmness. Misunderstandings and conflicts were common in alliance teams, thus requiring managers to have conflict solving skills; and tact to ensure the partner relationships are preserved. Besides these, clarity of teams' roles was cited as important in managing team competition and conflict, and thus should be clearly defined at the alliance formation.

4.3.10 Resources allocation

Alliances resources can either be tangible or intangible and are categorized into financial, technological, physical and managerial resources. At the planning level of a project, allocation is done based on approximations and thus high possibilities of differences at implementation, as described by Kazmi (2002).

The study findings reported that most resource allocation related challenges originated from partners overrating their resource capabilities during the alliance formation; leading to inadequacies in the required capacity during the implementation the alliance. Another challenge originating from resource allocation was the competing interests with partners prioritizing their own individual interest at the expense of the alliance. This was common especially where partner staff were only allocating a percentage of their time to the alliance. Most time the alliance time would suffer, with staff focusing more on their employer's interests first. Unforeseen changes in the external environment also increased the challenge of resource allocation; especially in cases where inflation rates increased, unforeseen costs emerged, or key staff left the alliance.

To cope with resource-based challenges, the WASH programme ensures that resource allocation in the alliance contract is clearly defined with details on the amount of resource required for the alliance, their source, and the resource responsibility. Joint development of budgets and resource allocation by all partners was also helpful since it promoted participation, and increased trust. The project contract especially the resource allocation clause should be flexible enough to allow for relevant adjustments if changes arise during the alliance implementation.

4.3.11 Operational differences among partners

Alliances are entered into by independent partners who retain their individual structures and freedom to pursue individual goals or enter into other collaborations as they desire as is described by Pearce, (2011). This often compromises alliance contracts and delivery methodology.

According to the study findings, operational differences may be reflected in implementation approaches- e.g. participatory versus top down approach, humanitarian approach versus the livelihoods approach, amongst others. Partners who feel more superior in alliances could sometimes want to force their preferred approach, which may not necessity, be applicable to the alliance. Staffs seconded to alliances from partner organizations often do not take time to understand the alliance goals and expectations, but end up applying their individual firm's systems which may conflict the alliance expectations.

To cope with this challenge, the WASH programme adapts strategies that promote the independence of the alliance, and often prefers to have staff specially dedicated to specific alliances since most of the alliances are implemented for more than 5 years. As in many other coping strategies, clarify of operational procedures and clear documentation of roles and expected results helps to ensure reduced cases of operational differences.

In conclusion of the findings therefore, challenges of multiple strategic alliances originate from the operational level of implementing strategy. Mistrust was rated highly as especially in cases where resource allocation was not openly done at the alliance formation. Poor communication, people management challenges, differences in operational strategies and control struggles were reported to elongate the mistrust problem, making it more difficult to implement multiple strategic alliances. This therefore echoes the claims of Ernst & Stern (1996) that the challenge of managing alliances- whether single or multiple lays not in the technical aspects of alliances, but in the operational and people aspects of the collaboration.

The opportunistic nature of strategic alliances as described by Gulati (1998) is a lead contributor to the challenges of implementing alliances. Often organizations do not give attention to the alliance goals but pursue their individual objectives, even within the alliance. This characteristic of alliance partners is a lead cause of the challenges described in the findings including lack of clarity in objectives which is often a result of misinterpretation of objectives or unclear goals and roles; power struggles due to lack of proper foundational; and pursuing individual interests coupled with differences in organizational cultures and operations increased the challenges of implementing multiple strategic alliances.

Although all the alliances had contracts governing their implementation, performance challenges were common since alliances were often viewed as a means to access more resources, rather than a strategy to deliver the specific goals. This justifies the emphasis on clarity of alliance strategy, roles, cultural and operational compatibility, partners' relationships and clear exit strategy as highlighted by Dess, Peters and Walters (1994). To reduce alliances challenges therefore management must make the commitment to promote the alliance strategy institutionalization, and to maintain focus on the agreed upon strategies and plans.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study set out to determine the challenges of implementing multiple strategic alliances between Practical Action East Africa and NGOs in the water and sanitation sector in Kenya; and also to find out how the organization coped with the challenges experienced. Based on the objectives and the information gathered from available literature, an interview guide was formulated to collect data from the WASH programme management team. In this chapter, the findings of the study are summarized and conclusions drawn. The chapter also includes sections on limitations to the study, study implication on policy and practice, and suggestions for further research.

5.2 Summary and findings

This study focused on the study of the challenges of implementing multiple strategic alliances within the Practical Action E A WASH programme context. The study findings of this study indicate that the main challenges experienced in implementing the multiple strategic alliances reported by the respondents under the WASH programme at Practical Action E A did not originate from strategy formulation but rather from strategy operationalization. The study findings further demonstrate that the challenges experienced were more related to the soft aspects of the alliances, rather than to the alliances' methodology.

From the research findings, the main challenges of implementing multiple strategic alliances between Practical Action East Africa's WASH programme and NGOs within the health sector related were mainly found not to be technical in nature, but rather originating from the people factors of the alliances. They included differences in partner organizations' goals and objectives, lack of clarity of alliance objectives and goals, mistrust among partners, limited resources, lack of openness among partners and partners' non-performance especially after they have contracts.

With regard to establishing how Practical Action East Africa was coping with the challenges of multiple strategic alliances within the WASH programme it can be concluded that various coping strategies adopted by the organization were sufficient in overcoming the main strategic alliance implementation challenges. These coping strategies mainly included: strong contractual agreements which are discussed prior to alliance entry, strong component of partner selection, sharing of information, and communication and openness among partners. The fact that most of the alliance managers had worked for the WASH programme for over 5 years also provided a good understanding of the organization, thus offering stability to the alliance implementation.

Furthermore in the coping strategies, details such as ensuring incorporation of all engaged organization logos in reports and joint letter heads; holding shared understanding of project reporting schedules and outputs, with regular monitoring of their work; training the partners on donor contractual terms and required financial code of conduct and compliance in spending and reporting; training of lead staff involved in the project implementation; and regular reviews of performance and challenges were also highly ranked as enablers of successful coping with multiple alliance challenges.

5.3 Conclusions

From the study findings, the study concludes that most challenges of implementing multiple strategic alliances under the WASH programme emanated from the strategic planning and strategy implementation project stages / phases; and were mainly driven by the people aspects of the alliances. The challenges had potential to negatively influence the alliance implementation and therefore the need to adapt relevant strategies to counter their effects.

Strategic alliances under the WASH programme therefore should be characterized by operational clarity and partner compatibility together with flexibility to adjust to environmental changes. A trusting relationship between alliance partners, friendships, and even making sacrificial changes for the sake of the relationship is necessary since alliances chances of success depend on many indeterminate elements such as competitive reaction to alliance, corporate culture, organizational structure, resource base, overall fit within the corporate long-term strategy and the willingness of partners to dedicate high calibre people and resources.

Additionally, the managers within the partnership alliance should understand key risks that an alliance can create and how to deal with them and therefore ensure that the partner selection process is effectively done. Lastly, it is recommended that continual assessment of preface against short and long term goals and objectives, coupled by clarity of roles should be undertaken under the WASH programme with an aim of overcoming the challenges of implementing multiple strategic alliances.

5.4 Limitations to the study

The findings of this study should be interpreted with the following considered as limitation:

It was not possible to get 100% response from all targeted managers due to some managers' unavailability for interviews. Secondly, this study was limited to study challenges of the implementation of the multiple strategic alliances strategy within one programme in the nongovernmental organization. The findings therefore do not represent the experience of the entire organization in implementing multiple strategic alliances.

Finally, the study represents findings from a development environment whose operations are different from the corporate environment. Therefore the findings of this study are not necessarily applicable in a corporate firm. It also does not report on the challenges of implementing multiple strategic alliances within an international context.

5.5 Recommendation for further research

This study focuses only on the challenges in the implementation of multiple strategic alliances in the context of the WASH programme within Practical Action East Africa. The study was also done in a nongovernmental organization, meaning that the results presented are only applicable within a nongovernmental environment.

The researcher therefore recommends that further recommends that further research should be undertaken to investigate the challenges of implementing the multiple strategic alliances in a corporate organization, or in international alliances. A similar study can also be done to study challenges of implementing multiple strategic alliances strategy in international NGOs with a centralized management system.

Further research could also be done to determine the factors affecting strategic planning and strategy implementation in the management of multiple strategic alliances as well as managers' perception of strategic management practices and their impact on multiple strategic alliances.

5.6 Implication on policy and practice

The findings of this study have various implications for policy and practice for organizations that wish to enter into strategic alliances. From the findings, it is apparent that although strategic alliances have capacity to deliver many benefits to a firm, there exist numerous challenges that are experienced in implementing the multiple strategic alliances. Indeed organizations that do not implement and manage their alliances carefully risk losing opportunities and poor performances as a result of poorly implemented multiple alliances.

Organizations therefore are required to exercise caution before entering into multiple strategic alliances, and critically analyze the implications of entering to the alliances. Firms therefore require having a partnerships and alliances management system which should guides their strategic choices in regard to alliances.

The findings of the study also reveal that there is no legal framework that guides entry into strategic alliances by organizations; whether for nongovernmental organizations or for corporate organizations. This gap means that there is limited legal guiding framework that can be used in times of alliances conflicts. Therefore in these times when the government is encouraging collaborations by organizations, government and regulatory institutions ought to develop a clear partnerships and alliances guiding framework to guard organizations against losses and other foreseen risks.

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APPENDICES

Appendix 1: Interview Guide

Section A: Introduction:

1. Organization:

2. Region:

3. Name of interviewee:

4. Position:

5. No. of years worked in the WASH programme:

6. What is your responsibility in the programme:

7. How long has the WASH programme operated multiple partnerships?

8. How many partnerships has your organization had under the WASH over the last 5 years?

9. How many partnerships are currently running under the WASH programme in the region? Kindly list them and their objectives

Partner	**Objective**

Section B: Multiple strategic partnerships

10. What are the reasons for entering in to strategic partnerships, and more so multiple strategic partnerships within the same programme?

11. How are the partners found? Who searches for the other?

12. How do you select partners?

13. How many staff are involved in the partnerships management? Kindly list their titles.

14. With whom does the main responsibility for partnerships at the WASH programme lie within the management team?

15. If you were given room for choice, would you enter into strategic partnerships in implementing the programme? Give your reasons

16. From your experience, are partnerships important in realizing your programme goals? Kindly explain.

17. What percentage of partnerships has been successful within your region? Please name them.

18. Kindly list the challenges that you may have experienced in implementing the multiple strategic partnerships strategy, and briefly describe how you have coped with them.

Challenge	**Coping strategy**

19. Kindly give a comment on the challenges in implementing multiple partnerships strategy under each of the following partnership factors?

i. Partner choice:

ii. Clarity of partnership goals and objectives:

iii. Top management support to the partnership:

iv. Partnership performance:

v. Organizational cultural differences between partners:

vi. Communication:

vii. Power/control struggles:

viii. Lack of trust:

ix. People management:

x. Resources allocation:

xi. Operational differences among partners:

Any other challenge you may have encountered:

20. In your opinion, what is the main challenge of implementing the multiple strategic partnerships strategy between the WASH programme and partner NGOs?

21. Kindly rate the factors above in order of priority

Appendix 2: Letter from Practical Action E. A.

PRACTICAL ACTION
Technology challenging poverty

October 30th, 2012

To Whom It May Concern,

REF: DATA COLLECTION BY LILYANNE NDINDA VELO- D61/71538/2008.

This is to certify that the above student of the University of Nairobi collected data at our Urban Services Programme (Water, Sanitation and Hygiene Promotion) towards the study titled 'The challenges of implementing the multiple strategic alliances between Practical Action East Africa and Non-Governmental Organizations in the water and sanitation sector in Kenya'.

We therefore certify that the information presented is from our Programme.

Yours,

PRACTICAL ACTION (EA)
P. O. Box 39493–00623
TEL: 2713540/5293
NAIROBI

For

Paul Chege

Head-Urban Services & Energy Programme

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