CHALLENGES OF STRATEGY IMPLEMENTATION IN A DEVOLVED GOVERNMENT SYSTEM: A STUDY OF KENYA RURAL ROADS AUTHORITY

BY

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DECLARATION

I declare that this is my research work and has not been presented for a degree in any other university.

Signed…………………………………**Date**…………………………………

Simiyu J. Khaemba

D61/76215/2012

I confirm that I am the supervisor of this student and that I have read this final draft and I believe it to be student's own original work.

Signed…………………………………… **Date**…………………………………

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DEDICATION

I dedicate this research project to my family for their support and bearing with me during this process. I will remain forever grateful.

ACKNOWLEDGEMENTS

ABBREVIATIONS AND ACRONYMS

KERRA   **:**   Kenya Rural Roads Authority

KURA   **:**   Kenya Urban Roads Authority

KENHA   **:**   Kenya National Highway Authority

MTP   **:**   Medium Term Programme

RBV   **:**   Resource Base Value

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ABSTRACT

A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action (Noble 1999). Noble argues that it is not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. The best formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented. Following the promulgation of new Constitution in the year 2010, a devolved system of government was created, with two levels of government (central Government and county governments) which are distinct and interdependent. The new constitution 2010, categorizes Kenyan roads into the national trunk roads and the county roads. To ensure a smooth process and continued service delivery to the public, KeRRA needs to align their strategic plans in line with the new constitution as far as practicable. This fundamentally raises institutional framework challenges as the authority implements their strategic plans in managing the roads-sector. Thus this study sought to determine the challenges of strategy implementation at Kenya Rural Roads Authority in a devolved government system with a view to discern pattern. Data was collected from the 35 out of the 47 KeRRA regional offices spread across the counties representing 74%. Interviews were conducted amongst regional engineers who implement the strategic plans within the ranks of KeRRA management. The study established several challenges that face KeRRA during strategy implementation. These include: inadequate capacity at KeRRA regional offices and the inadequate funding to effectively complete all planned projects; inadequate operation management systems; escalating cost of road construction materials amongst others. The recommendation is that further research should be done in the area of strategy implementation among other sectors in Kenya whose key activities have been devolved such as land and health sectors. The study limitations were time and resources. We could not reach insecurity prone KeRRA regional areas and this constrained the scope of the research. In addition, it did not include other important fields of strategic management such as strategy development.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Although formulating a consistent strategy is a difficult task for any management team, making that strategy work by implementing it throughout the organization is even more difficult (Hrebiniak, 2006). According to Noble (1999) a myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. And unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic. Noble argues that it is not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. The best formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented.

Various theories have been advanced in explaining how organizations obtain fit with their environment. The theories that inform this study are the population ecology and resource base value (RBV) models. The theory of population ecology is based on two main ideas. On one hand, individuals and organizations are unable to modify their behavior so as to adapt to the demands of context. On the other hand, the atmosphere is regarded as something unchangeable or against which organizations have little chance to influence (Martin 2011).

The main components of the population ecology model highlights the role of environment in determining the survival of organizations. The selection of new and different organizational forms in the level of populations of organizations occurs as a result of structural inactivity, which is proposed as the main explanation for the lack of change (Betton and Dess, 1985).

Martin (2011) explains that the questions generated by the development of the theory is: Why are there so many kinds of organizations? To explain this diversity environmentalists set the response in the creation and death rates of populations of organizations. The end or survival do not calibrate from its ability to change but the environment's ability to select and retain certain organizations and discard others. According to the RBV theory, managers have a key role in regard to change and adapt the combination of organizational resources to environmental demands. They are in this sense, seen as adaptive and proactive agents to context. As said by Lockett et al (2009), the managers through their decisions may change the nature of competition.

Kenya Rural Roads Authority (KeRRA) is a state corporation established under the Kenya Roads Act 2007 with responsibility for the management, development, rehabilitation and maintenance of rural roads classified as classes D, E, and unclassified rural Roads (Esaba, 2014). According to KeRRA's strategic plan 2012/2016, the authority has regional offices in all the 47 counties headed regional engineers and enhanced operational budget of Ksh. 30 billion in the financial year 2015/2016.

It has functional departments of human resources, finance, research and development, planning and engineering and audit &quality assurance. The authority boasts of being able to maintain 40% of the road network in the country. The strategic plan identifies GoK under development levy fund, road maintenance fuel levy fund, development partners as key financiers of roads infrastructure in the country.

1.1.1 Concept of Strategy Implementation

Strategy implementation is defined as the communication, interpretation, adoption, and enactment of strategic plans of firms (Noble 1999). Yang Li et al (2008) define strategy implementation as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees affected by a number of interrelated internal and external factors to turn strategic plans into reality in order to achieve strategic objectives. Policies that work in practice need to be designed with implementation in mind.

Kaplan & Norton (2001) contend that successful CEOs understand the need for a sound business strategy and invest significant time, effort, and money in strategy development. But the real value of strategy can only be recognized through execution - the ability to execute strategy is more important than the quality of the strategy itself. Kaplan & Norton, explain that it does not matter how good the plan is if you can't make it happen. Most companies have the know-how and insight to create the right strategy, however, executing it is another matter.

The pace of change itself poses many obstacles to successful strategy execution often before the planning process is even finished, that well-crafted plan is obsolete. More important, many companies lack the tools for turning strategy into an execution process that guarantees accountability and yet is adaptable to change.

Atkinson, (2006) argues that the implementation of strategies in organizations has not been without challenges. Research has shown that more than 50% of the strategies fail at the implementation stage. Implementing strategies successfully is therefore vital for any organization, either public or private. Without implementation, even the most superior strategy that seems straight forward may fail. However transforming strategies into action is a far more complex and difficult task.

Mintzberg et al, (2008) explain that traditionally, there is relationship between strategy formulation, strategy implementation, and organizational performance. And organizations begin strategy formulation by carefully specifying their mission, goals, and objectives, and then they engage in SWOT analysis to choose appropriate strategies. Aosa (1992) argues that strategies are of no value unless they are effectively translated into action. Therefore it is not enough to develop strategies; efforts must be made to have clear and consistent guidelines for action. Strategy implementation includes the full range of managerial activities associated with putting the chosen strategy into place, supervising its pursuit and achieving the targeted results.

It is thus obvious that strategy implementation is a key challenge for today's organizations and Kenyan Rural Roads Authority isn't exception (Bryson, 2011). Strategy implementation at the Kenya Rural Roads Authority will be affected. Constitution of Kenya 2010categorizes Kenya's public road network into the national trunk roads and the county roads, thus classified according to functionality as some roads are to be managed by national and county governments respectively as provided by Constitution 2010.Given that there is significant shift in structure of government through creation of county governments as key government roads infrastructure functions are being devolved to be congruent with Kenya's new Constitution, especially construction and maintenance of roads across the country. The researcher intends to investigate the challenges facing the Kenyan Rural Roads Authority (KeRRA) in strategy implementation in devolved government system given that the authority covers 40% of rural roads network in the countryside (Burgess, Jedwab, Miguel, & Morjaria, 2013).

1.1.2 Roads sector in Kenya

Vision 2030, the Kenya government development blueprint acknowledges the need for a functional transport sector as a component of the economic pillar, whose effort is expected to tackle such challenges as reduction of poverty by half and the achievement of newly industrialized country status by 2030. According to the Ministry of Transport and Infrastructure policy paper (2012), roads are one of the modes of transport of people and goods and are used to interconnect other modes as well as provide access to basic social services. Roads account for about 93% of all freight and passenger traffic in the country.

Therefore roads are key enablers for economic, social and political development as provided in Kenya's development blueprint, Vision 2030. Therefore roads must be managed in a prudent and effective manner to realize the dream of Kenya.

Vision 2030 has therefore identified a number of goals in roads infrastructure to be achieved through Medium Term expenditure Programme (MTP) by year 2030. These include: Accelerating on-going infrastructure development by focusing on quality and functionality. Building Infrastructure in support of identified flagship projects which contribute to social equity and economic goals. Improving efficiency and effectiveness of infrastructure at all levels of planning, contracting and constructing. Apart from infrastructure being identified as a necessity in improving the living conditions of both farming and pastoralists' communities, it is also necessary for improving security and contributes significantly to the reduction of cost of doing business.

The Ministry of Transport and Infrastructure Policy Working Paper (2012) emphasizes that financing of roads infrastructure will be by increased investment through public and private sector partnerships (PPP) with preference to concessioning of roads. In relation to rural roads, it highlights the use of local resources including through the Roads 2000 maintenance strategy.

1.1.3 Kenya Rural Roads Authority (KeRRA)

Kenya Road Act 2007 was enacted to provide for the establishment of the three Road Authorities: Kenya National Highways Authority (KeNHA) is responsible for the management, development, rehabilitation and maintenance of national trunk roads classified as classes A, B, and C Roads. Kenya Rural Roads Authority (KeRRA) is responsible for the management, development, rehabilitation and maintenance of rural roads classified as classes D, E, and unclassified rural Roads. Kenya Urban Roads Authority (KURA) is responsible for management, development, rehabilitation and maintenance of all public roads in cities and municipalities.

According to the Kenya Rural Roads Authority's strategic plan 2012/2016, the authority has regional offices in all the 47 counties headed regional engineers and enhanced operational budget of Ksh. 30 billion in the financial year 2015/2016. It has functional departments of human resources, finance, research and development, planning and engineering and audit &quality assurance. The authority boasts of being able to maintain 40% of the road network in the country. The strategic plan identifies Government of Kenya under development levy fund, road maintenance fuel levy fund, development partners as key financiers of roads infrastructure in the country.

1.2 Research Problem

Strategy implementation is more important for an organization than the strategy formulation because if the strategy is not successfully implemented by the staff and management, its cost and damages grow more than the failure of strategy formulation (Feurer et al, 1995).

The Government of Kenya in its effort to improve service delivery to the public, introduced performance based contracts for the top management where they are required to prepare strategies which are cascaded down to the junior staff. The renewal of their contracts is based on the performance management system and as such managers are given tasks with pre-determined successes. Their main role is to strategize how best these targeted results are to be accomplished and coming up with a detailed action plan for achieving the targeted short run and long term goals.

According to the Ministry of Transport and Infrastructure policy paper (2012) Kenya's public road network has been categorized into the national trunk roads and the county roads thus classified according to functionality as some roads are to be managed by national and county governments respectively as provided by Constitution 2010 which recognize national and 47 counties. To ensure a smooth process and continued service delivery to the public, alignment of Kenya Rural Authority's activities to the constitution must be achieved, as far as practicable. This fundamentally raises challenges as the Kenya Rural Roads Authority implements its strategic plans in managing the roads-sector in devolved government system.

Research on strategy implementation has been carried out internationally and locally: Okumus (2001) study on strategy implementation on firms in Pakistan established that factors that can be identified as common for strategy implementation are strategy development, environmental uncertainty, structure, culture, leadership, resource allocation, people, communication and it's a combination of variables which work together to make transformation possible in hospitality industry.

Musa (2014) study on Kenya Urban Roads Authority (KURA) concludes that poor management has led to poor strategy objective setting, lack of strategic awareness, manager resistance to strategy implementation; late involvement of firm members in the strategy process and cultural norms had become an impediment to firm strategy implementation. The study concludes that inadequate capacity at KURA regional offices and the local authorities; inadequate funding effectively delay completion all planned projects.

Magambo (2012) established that inadequate funding and untimely disbursement of resources, staff resistance to change and lack of skills as hindrance to the effective implementation of strategies in Kenyan public corporations. However, inadequate staffing, lack of top management commitment, organizational culture and structure were never in any way a challenge to the implementation of strategies in public corporations in Kenya. Another study was carried out by Kimeli (2008) on the challenges of strategy implementation at the Kenya Revenue Authority (KRA). He found out that an incompatible organization structure, poor communication, inconsistent policies, lack of employee involvement and lack of sufficient funding hindered the success of strategy implementation at KRA. Otieno (2007) study on challenges of strategy implementation at the Ministry of Finance in Kenya established that lack of scheme of service, communication and weak reward policies seemed to have been the most challenging factors for Ministry of Finance Strategic Plan Implementation.

There is no one universal approach to strategy implementation. However from the above conducted studies on challenges of strategy implementation in government entities there appears no known study on strategy implementation in devolved government system especially for devolved government services and therefore the choice of KeRRA is significant given that it boasts of maintaining 40% of rural roads network in the country and has regional offices in all the 47 counties. A knowledge gap existed on strategy implementation in Kenya Rural Roads Authority which this study sorts to bridge. And therefore the research question: what were the challenges that face strategy implementation at the Kenya Roads Authority?

1.3 Research Objective

The objective of the study was to determine challenges affecting implementation of strategic plans at KeRRA in devolved government system.

1.4 Value of the Study

Kenya Rural Roads Authority top management will be able to transform the structures, procedures and performance in order to effectively play its enabling role in development agenda of rural roads in the country given that most of the roads handled by the authority have been substantially devolved to county governments.

Government policy makers will be able to get insights into areas that need more attention in terms of successful strategy implementation in infrastructure development so as to enhance service delivery in the devolved public sector. Policies like public private partnerships and road concessionaire and annuity will be informed by this kind of study.

The study will contribute to the existing repository of knowledge on strategy implementation challenges in devolved government system. Future researchers and scholars can use this research as a basis for further research in the area of strategy implementation in devolved government units with a view to enhancing service delivery.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature related to the study. It provides a theoretical framework of the study that includes a discussion of the theories related to the study. It also summarizes the view of other scholars in regard to strategy implementation.

2.2 Theoretical Framework

A theoretical framework is a collection of interrelated concepts like a theory. It provides a particular perspective or lens through which to examine a topic. This study is anchored on population ecology and resource value view theories

2.2.1 Population Ecology Theory

The theory of population ecology is based on two main ideas. On one hand, individuals and organizations are unable to modify their behavior so as to adapt to the demands of context. On the other hand, the atmosphere is regarded as something unchangeable or against which organizations have little chance to influence (Martin 2011).

The main components of the model highlight the role of environment in determining the survival of organizations. The selection of new and different organizational forms in the level of populations of organizations occurs as a result of structural inactivity, which is proposed as the main explanation for the lack of change (Betton and Dess, 1985).

Martin (2011) explains that the question generated by the development of the theory is: Why are there so many kinds of organizations? To explain these diversity environmentalists set the response in the creation and death rates of populations of organizations. The end or survival do not calibrate from its ability to change but the environment's ability to select and retain certain organizations and discard others.

The thesis starts with the notion that the organizations develop structural inactivity that prevents them from carrying out radical changes. The higher the inertial pressure, the lower the adaptive flexibility and it is more likely that the logic of the environment will be what is imposed. These structural inertias can be caused by internal or external factors. The first group includes investment in plant and equipment or sunk costs, the reduced information received by management, internal political struggles that hinder the redistribution of resources and constraints emanating from the history and tradition. External sources of inertia include legal and financial barriers that are imposed on the input and output of markets, external constraints on the availability of information, social legitimacy, considerations that limit the flexibility of the organization to change its ways or activities and the problem of collective rationality (Pfeffer, 1992).

The role assigned to managers as agents of change is almost nil because of the concept we have on individuals and what they can cause through the organizations they manage. Managers are seen as people with limited rationality that prevents them from understanding the full complexity of information presented to them and make an optimal decision.

If rationality is not restricted, the conditions present within the organizations would also not ensure that the objectives can be carried out. This is because the will of an individual or group are not sufficient elements to ensure that decisions are implemented as intended. There are organizational elements, like politics, that prevent a linear cause and effect between what a person intends and what ends up happening then. For proponents of this view, even if we could remove the limitations raised above it would not be enough. Events that occur outside of the organizations are completely random and therefore are beyond the control of management. In short, there are both internal and external conditions, individual and organizational, not possible to link the intentions and means of managers to the final results (Joaquin 2011).

2.2.2 Resource Base Value Model

RBV is an approach to achieving competitive advantage that emerged in 1980s and 1990s, The supporters of this view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it (Pearce II et al 2008). The stream of literature dealing with the resource allocation process looks at the process of resource allocation as a proxy for implementation of strategy (Bower 1970).

The central proposition is that the way the resources are allocated in the firm shapes the realized strategy of the firm. Understanding the resource allocation process allows one to understand how strategy is made.

Resource allocation is an iterative process (Noda and Bower 1996) and is a bottom up process. The customers and shareholders could influence the resource allocation process thereby influencing the selection of proposals for investment (Christensen 1997).

Innovations that fit the strategic context were called sustaining technologies while those that did not fit the context were called disruptive technologies and these were implemented successfully by setting up a new organisation (Christensen 1997). Resource allocation to disruptive ventures is seen when such events are framed as threats and yet were attempted to be adjusted among the existing strategic and structural context (Gilbert 2000). Thus cognitive thought process regarding resource allocation is applicable to KeRRA, a state entity competing for funding from the National Treasury and donors.

2.2.3 Institutional Theory

Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquiries into how these elements are created, diffused, adopted and adapted over space and time; and how they fall into decline and disuse. Although the ostensible subject is stability and order in social life, students of institutions must attend not just to consensus and conformity but to conflict and change in social structures.

The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (McAdam and Scott, 2004).

The environment is conceptualized as the organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment. There are, however, some fundamental aspects of organizational environments and activities not fully addressed by institutional theory that make the approach problematic for fully understanding the state agencies and their environment: the organization being dependent on external resources and the organization's ability to adapt to or even change its environment (McAdam and Scott, 2004).

Meyer and Rowan (1991), DiMaggio and Powell (1983) are some of the institutional theorists who assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. KeRRA as a state corporation is formed by Act of Parliament 2007 is guided by both this law and the provisions of the constitution 2010 that classifies some roads as county roads. The Kenya Roads Board provides regulatory oversight in terms of funding

and technical skills capacity building, while the Ministry of Infrastructure and Transport focuses on policy formulation for KeRRA. This theory aptly applies in execution of the authority strategic plan.

2.2.4 Systems Theory

System theory advocates that all organizational components be interrelated and integrated. According to Woodside (2010), systems theory classifies systems as open or closed depending on the presence or absence respectively of the systems interaction with the surrounding environment. Morris (1996) describes an open system as one that interacts with its environment, the larger system of which it is apart. The interaction represents the exchange of energy or information. The model used to describe an open system theory as input-process-output, with a feedback loop from the environment into the system information received from the output and then a feedback to the input.

According to Daft, Murphy and Willmott (2011) open system thinking pay attention to open boundary between the organization and its context. Developing a design that effectively manages the exchanges of raw materials, people, producers across this boundary is in an open systems perspective, considered to survival and prosperity. In order to survive and grow they are impelled to adapt or control a changing environment. Open system thinking is helpful in reminding us of interdependencies both between subsystems as well as between the organization and what exists beyond its boundaries.

Daft, Murphy and Willmott (2011) further distinguishes a closed system from an open system by specifying that a closed system perspective is one in which organizations are conceived as autonomous effectively sealed off from the outside world. A closed system focuses exclusively upon the organization without consideration of its dependence upon or capacity to influence elements comprising its context. KeRRA regional offices are spread across all county headquarters, therefore management are expected to set in motions plans that will enable them work in collaboration with county governments.

2.2.5 Contingency Theory

The contingency theory of organizations is a major theoretical lens used to view organization. The contingency theory draws the idea that there is no one or single best way or approach to manage organizations. The essence of the contingency theory paradigm is the organization effectiveness results from fitting characteristics of the organization, such as its structure to the contingencies that reflect the situation of the organization (Pennings 1992).

The contingencies include the environment (Burns & Stalker 1961), organization size and organizational strategy. The fit of organizational characteristic to contingencies to high performance, organization seek to attain fit. Therefore the organization becomes shaped by the contingencies because it needs to fit them to avoid loss of performance. Organizations are seen as adapting over time to fit their changing contingencies so that effectiveness is maintained.

Therefore contingency contains the concept of a fit that affects performance, which, in turn, impels adaptive organizational change. This results in organizations moving into fit with their contingencies, so that there is an alignment between the organization and its contingencies, creating an association between contingencies and organization characteristics (Van de Ven & Drazin 1985). The top management can make almost all decisions personally and effectively.

Kenya Roads Act 2007 provides that KeRRA is tasked with development and maintenance of rural roads across the country. But with the implementation of constitution 2010 some of the roads have been classified as county roads and therefore part of the devolved functions. KeRRA faces the challenge of implementing her roads work plans without risk of being acussed of interfering with county roads. This calls for change of strategies by management including putting contingency measures in place to reclassify certain roads in order to comply with constitution 2010.

2.3 Empirical Review

Musyoka (2011) says that strategy implementation is inextricably connected to organizational change. If members of an organization resist change and maintain the status quo, implementation will not take place. According to Olson, Slater, and Hult (2005) human resource is important in strategy implementation. Organizations successful at strategy implementation consider the human resource factor in making strategies happen.

According to Viseras, Baines, and Sweeney, (2005) strategy implementation success depends largely on people management. Thus the selection and development of key managers in an organization should be carefully carried out. On the other hand Hamid (2010) study on the service sector showed that most big companies have problems in implementing their strategies. His study identified effective factors, like: leadership, organizational structure and human resources on successful implementation of strategies. Dandira (2011) established that the failure to involve personnel at the formulation stage has been a major problem that cannot be ignored since the personnel will not have ownership of the strategy.

Musyoka (2011) highlights that resources are a prerequisite for successful implementation, inadequacy of any one or all of the resources poses a stumbling block to implementation efforts. Resource allocation is complicated and it can get in the way of the execution of great strategy ideas. Hitt, Ireland, and Hoskisson (2005) describe resources in terms of physical, human and organizational capital which includes capital equipment, the skills of individual employees, patents, finances and talented managers. An organization's unique resources and capabilities provide the basis for strategy implementation and to win managers have to commit enough resources. In most organizations senior managers regularly decide which projects to fund, and which ones to kill. These decisions, occurring at all levels of the organization every day, comprise its resource allocation process.

If the criteria that guide prioritization decisions in this process are not carefully tied to the company's intended strategy, significant disparities can develop between an organizations intended strategy and its actual strategy. Dobni (2003) asserts that understanding and controlling the criteria by which day-to-day resource allocation decisions are made at all levels of the organization, therefore, can be a key challenge in managing the process of defining and implementing strategy.

According to Obara (2006), policies and rules are a challenge to strategy implementation. He argues that an organization without clear policies and rules governing management plans brings about conflict in roles and can hinder implementation of decisions resulting in non achievement of desired results. A properly instituted code of conduct that includes organizational policies and rules with specific guidelines on implementation is essential for strategy implementation. The context in which the policy operates is important. Formulating a policy requires a good understanding of local needs opportunities and constraints, taking all stakeholders into account. There should be convincing attitude from the government with specific measures to empower the society and complementary measures from within the organization to foster quality and accountability (regulation, incentives and norms).

Dobni (2003) views culture as a major driver of strategy implementation. Thus a strategy cannot be successfully implemented without understanding the culture of the organization. Culture allows the adaptive behavior by the organization necessary for strategy implementation.

Pearce and Robinson (2007), hold that beliefs influence opinions and actions within the organization among its members. Strong culturally approved behaviors and practices are nurtured and are developed by strong leaders who establish values, principles, and practices that are consistent with the strategic requirements. Such cultures contribute greatly to strategy implementation.

Evans (2010) argues that, unclear strategic intentions and conflicting priorities, top-down senior management style, ineffective senior management team, poor vertical communication, weak coordination across functions or departments and business, and inadequate down-the-line leadership skills development, all of which are functions of management, constitute major impeachment grounds to strategy implementation. According to Hrebiniak (2006), the real challenge of strategy implementation lies in the formulation and effective communication of vision, mission and values; commitment to projects and business results that will fulfill on the mission and the design of organizational architecture that allows for empowerment and communication. Stark (2009) emphasized the institutionalization of the strategy within the organization. The Managing Partner, Chair, and other key leaders must demonstrate visible ownership of the firm's strategy, communicating clearly with other partners about the details, value and importance of the strategy to the organization.

One important area where challenges are likely to be experienced is leadership. Pfeffer and Sutton (1999) have given the view that what leaders do, that is, how they spend their time and how they allocate resources, matters a great deal in strategy implementation.

Strategy implementation is about converting knowledge into action. Leaders of successful organizations understand that their most important task is not necessarily to make strategic decisions but to help build systems that facilitate the transformation of knowledge into action in a smooth and reliable way. Hrebiniak and Joyce (1984) argue that the process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. This, in turn, serves to ensure the successful implementation of the firm's chosen strategy. Thus top managers play a critical role not just in strategy formulation but in implementation as well and where commitment and consensus is lacking from the top management strategy implementation can be a serious challenge.

According to Alexander (1985), proper strategy execution requires a communication plan that recognizes that organizations are made up of social, communicative human beings. Communication ensures consistent delivery of information enhances relationships with stakeholders, creates a feeling of ownership as employees and other stake holders become more involved and informed, helps reduce conflict, ensures efficient use of resources and creates a more unified approach to strategy implementation. The findings of Schaap (2006) indicate that most of the senior level leaders do not communicate the company's direction and business strategy to all of their subordinates and this may pose a challenge. This study also reinforces the findings that frequent communication up and down in an organization enhances strategic consensus through the fostering of shared attitudes and values.

2.4 Summary and Research gap

Personnel are key factor in strategy implementation in any organization as confirmed by Musyoka (2011) in study on strategy implementation at Jomo Kenyatta Foundation, Obara (2006) study on challenges faced by Ministry of Finance in strategy implementation and Olson, Slater, and Hult (2005) study on strategy and structure of firms for 200 senior managers of different firms in United States. However, while the first two researchers didn't look at the structure of decision making in the government entities, the later focused on firms with centralized and decentralized structures in decision making in firms.

Resources are a prerequisite for successful strategy implementation in firms as confirmed by Evans (2007) in study on strategy implementation in the ministry of provincial administration in Kenya. Hitt, Ireland, and Hoskisson (2005) describe resources in terms of physical, human and organizational capital which includes capital equipment, the skills of individual employees, patents, finances and talented managers. Musyoka (2011) says that strategy implementation is inextricably connected to organizational change.

However, Magambo (2012) study contradicts the above finding. Inadequate staffing, lack of top management commitment, organizational culture and structure were never in any way a challenge to the implementation of strategies in public corporations in Kenya. The above studies have been conducted in centralized organized systems and none mentioned executing strategy in a devolved or decentralized organized system. Therefore a research gap can be discerned.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was used in achieving the objectives of the study. It covers research design, data collection and data analysis techniques that were applied in the study.

3.2 Research Design

In order to identify the factors that affect strategy implementation at KeRRA in a devolved government system we used a case study. A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2004). Hartley (2004) explains a case study as a research strategy which involves detailed investigation of phenomena where the aim is to understand how behavior and/or processes are influenced by and influence context, and where context is deliberately part of the design.

The design of the study involved examining the process of strategy implementation and challenges experienced at the Kenya Rural Roads Authority. It was therefore most appropriate to use case study design since the study seeks to examine the practices of a single sector in devolved government system. The target population included the regional engineers in all the 47 counties of Kenya.

3.3 Data Collection

Data was collected from 35 out of 47 KeRRA regional offices in the counties that had been visited. Regional engineers based in the counties were interviewed to give response to the questions in the study through the use of interview technique of data collection. This was obtained through use of interview guides which the researcher used. Open-ended interview guide questions were divided in sections to capture the respondents' perception of the various variables that constituted strategy implementation at Kenya Rural Roads Authority.

3.4 Data Analysis

The gathered qualitative data was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). According to Straus, (2012) content analysis is a qualitative analysis method for the systematic description of behavior, asking who, what, when, where and how questions within explicitly formulated systematic rules to limit the effects of analyst bias.

Content analysis was therefore employed in this study to analyse the qualitative data collected through the interviews contacted. From the collected data, themes were developed according to the questions asked which the researcher used to show the extent to which the respondents supported certain aspects in these themes. This technique informed the researcher with knowledge and facts and practical guide with regard to the challenges facing strategy implementation.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data findings from the field, its analysis and interpretations. The data was gathered through interview guides and analyzed using content analysis. The data findings were on challenges of strategy implementation at Kenya Rural Roads Authority, in a devolved government system.

4.2 Response Rate

The respond rate was 74%. Out of the 47 regions we managed to visit 35 county KeRRA regional offices. The results are captured in figure 4.1 below.

Figure 4.1 Response Rate
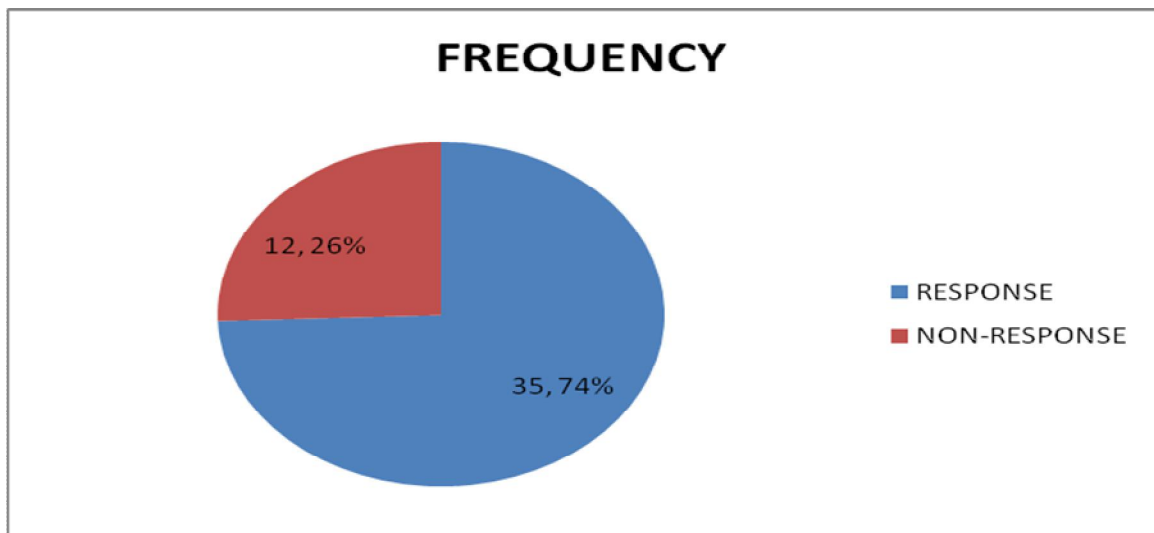
4.3 Background Information

In order to ascertain the interviewees' knowledge with matters regarding Kenya Rural Roads Authority, the study asked questions cutting across the authority. According to the results, all the interviewees were head of departments of various regions in the authority.

The researcher asked a question on the number of years that the respondents had worked for Kenya Rural Roads Authority. The results are captured in figure 4.2 below. According to the respondents, 63% had worked for a period of at least 5 years. These were followed by 26% who had worked for 3 – 4 years and 11% who had worked in their current organizations for a period of 1 – 2 years.

Figure 4.2   Respondents Distribution by Duration Worked
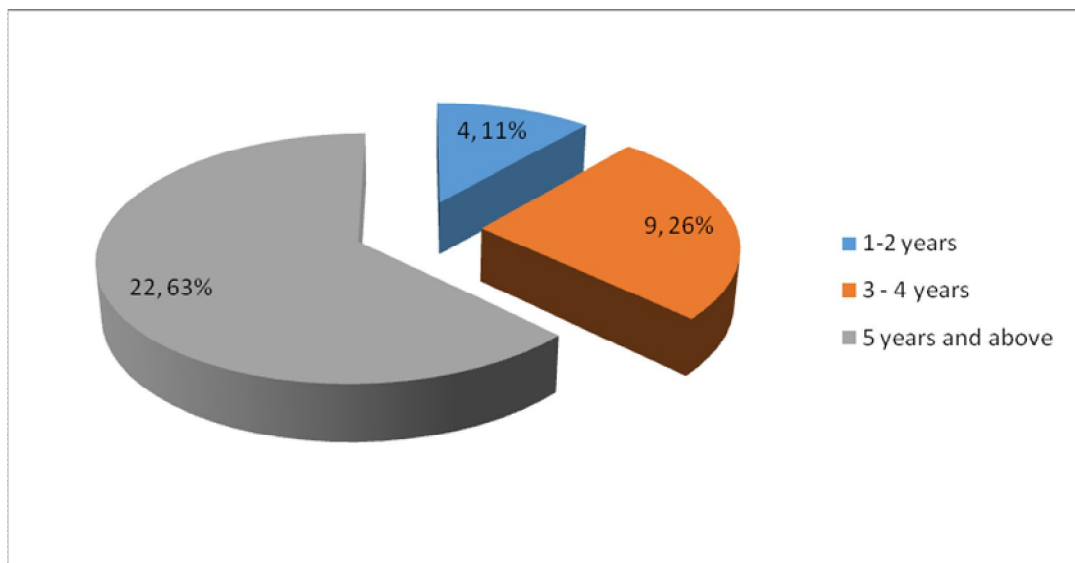
The interviewees' response showed that they had the advantage of good command of processes and responsibility being the head of departments in the regions and wide experience owing to their years of experience in the authority.

4.5 Challenges of Strategy Implementation

The study in this section sought information about the challenges that face Kenya Rural Roads Authority during strategy implementation process. The regional engineers were asked to state the challenges encountered during the implementation of the Strategic Plan. According to the interviewees, inadequate capacity at KeRRA regional offices; inadequate funding to effectively complete all planned projects; escalating cost of road construction materials; unpredictable weather patterns; ambition to retain power at the centre; resistance to culture change. Inadequate research and development; shortage of skilled and qualified professionals; conflicting legal framework for example Roads Act 2007 versus provision of county government laws and encroachment on road reserves; and political interference are the challenges encountered during the implementation of the Strategic Plan.

The respondents were asked whether organization culture affects strategy implementation process at KeRRA. The results are captured in the table 4.2 below. Interviewees agreed that organizational culture hinders implementation of strategy. Resistance to change and the fear of the unknown were some of culture factors that were identified by the respondents. It shows that 85% of the respondents were in agreement and 15% rejected this view.

Table 4.1 Culture

	Frequency	Percent
Yes	30	85.7
No	5	14.3
Total	35	100

Employees are used to a certain ways of doing things in the authority and whenever new changes are introduced or change of strategy was required to capture a certain opportunity or counter a given threat, the culture is slow making management slow in decision making.

The respondents were asked whether communication process affects strategy implementation process at KeRRA. Table 4.3 shows that response was 80% in support and 20% not in agreement.

Table 4.2 Communication

	Frequency	Percent
Yes	28	80
No	7	20
Total	35	100

The interviewees stated that communication process at KeRRA resulted to delayed results, wastage of resources, loss of business, and rejection of the strategy and lack of commitment to new ideas. Respondents also argued that an integrated communications plan must be developed at the organization to enhance strategy implementation.

The respondents were asked if leadership affects strategy implementation activities. In table 4.4 below, the response was that 94% of interviewees agreed and 6% disagreed that leadership affected strategic plan implementation. Majority respondents were of the opinion that indeed leadership was a big challenge to the process.

Table 4.3   Leadership and co-ordination

	Frequency	Percent
Yes	33	94
No	2	6
Total	35	100

Management resistance to change and new ideas, lack of visionary leadership together with poor leadership skills and knowledge are still additional challenges facing the organization. Some of these leadership skills were found to be due to a lack of proper training and this could be remedied through the process of training of those in the management positions.

The respondents were asked whether resources and capacity affect strategy implementation at KeRRA. The results are shown in table 4.5 below. 91% of the respondents were in agreement that resource constraints hindered strategy implementation. 9% of the respondents were not in agreement of this view.

Table 4.4 Resource Constraints

	Frequency	Percent
Yes	32	91
No	3	9
Total	35	100

Human resource capacity in terms of qualifications, competence and numbers were identified as a major constraint. Further, financial and time resources were also highlighted. With financial resources, proper planning and prioritizing on the policies is a key factor to be considered in avoiding wastage. It is also important to set aside enough finances for the project while ensuring that staff are motivated and recognized i.e. through reward and appreciation schemes.

The interviewees indicated that the cost to implement the strategies was too high and hence it could not be met at once. Further donor policies governing the funds distribution were unfavorable. The respondents also indicated that there were irregularities in the authority such as poor coordination, poor punctuality, and financial management reports not discussed, poor cash flows, low earning levels and poor customer service.

4.6 Discussion

4.6.1 Comparison with Theory

The study found that implementation of strategy at KeRRA will only be successful if the organizational culture change is impressed, resources are availed and employees who are the actual implementers participate fully in the process. This finding is in line with population ecology and resource base value theories.

The study established that resource constraints hindered strategy implementation. It found that human resource capacity in terms of qualifications; competence and numbers were identified as a major constraint. It also found that financial resources affects proper planning and prioritizing on the policies as argued in the Resource Based View theory. The theory argues that firms differ in fundamental ways because each firm possesses a unique "bundle" of resources–tangible and intangible assets and organizational capabilities to make use of those assets (Pearce, Robinson and Mital, 2008).

4.6.2 Comparison with other Studies

Resource constraints, Communication, culture, staff participation in strategy formulation are seen as key variables that influence strategic plans implementation at KeRRA. This finding is closely similar to the study of Mehmet & Kamal (2009) regarding Turkish firms. It was found that the most important reason for the failure experienced during strategy implementation process in Turkish firms is the organizational issues- the lack of training and cultural structure.

The finding from the study agrees with Magambo (2012), in which it was established that inadequate funding and untimely disbursement of resources, staff resistance to change and lack of skills are hindrance to the effective implementation of strategies in Kenyan public corporations. However, inadequate staffing, lack of top management commitment, organizational culture and structure were never in any way a challenge to the implementation of strategies in public corporations in Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSIONAND FURTHER RESEARCH

5.1 Introduction

This chapter provides the discussion, conclusion drawn from the findings and further areas of research. The conclusion focused on addressing research objective which was to determine challenges of strategy implementation at KeRRA in a devolved government system.

5.2 Summary

The study established that several challenges face KeRRA during strategy implementation. These include: inadequate capacity at KeRRA regional offices and the inadequate funding to effectively complete all planned projects; escalating cost of road works, inadequate research and development; shortage of skilled and qualified professionals; conflicting legal framework for example Roads Act 2007 and political interference were noted to be key variables that affected implementation of the authority's strategic plan.

5.3 Conclusion

The study concludes that management should be competent so as to ensure good strategy objective setting, manage resistance to change; early involvement of authority staff in the strategy process help them understand goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation.

5.4 Limitations of the Study

The researcher's approach in conducting the study had limitations which should be acknowledged. First of all, the research considered issues which are qualitative in nature and the data obtained analyzed as per content. This makes it impossible to infer the results to other similar organizations like the water and health sectors that have been devolved. Similarly the study was a case study and relied on personal interview as the main tool of data collection. Inherently case studies have limitations of subjectivity based on the way the researcher interprets the information given by the respondents.

When looked at in a broader picture of 47 counties, the interviews conducted didn't cover all counties given that far flung counties could not be visited since they are prone to insecurities. There is need to combine different research methods (such as interviews and surveys) in order to achieve more robust results. The study was carried out within a limited period of time and resources. In addition, the study was restricted to the challenges associated with strategy implementation at KeRRA following devolution of rural roads function. It did not include other important fields of strategic management such as strategy development.

5.5 Suggestions for Further Research

Devolution was a noble idea by the Kenyan government on reducing imbalances in regional development through devolution of resources to the grassroots. It was hoped that devolution would enhance people's participation in decision making processes; promote good governance, transparency and accountability. There has been criticism leveled on the implementation of the devolved functions. It will be important to extend this research to other devolved sectors of the economy like health and water sectors in order to establish that the challenges identified are not unique to KeRRA.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162 Telegrams: "Varsity", Nairobi Telex: 22095 Varsity	P.O. Box 30197 Nairobi, Kenya

DATE... 25/9/05

TO WHOM IT MAY CONCERN

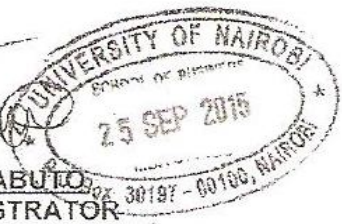The bearer of this letter ...... John Simiyu Khaemba

Registration No...... D61/76215/2012

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

STRATEGIC IMPLEMENTATION IN DEVOLVED GOVERNMENT SYSTEM
A CASE STUDY OF KENYA RURAL ROADS AUTHORITY (KERRA)

The interview guide will seek to determine the following objective.

Challenges associated with strategy implementation at KeRRA in devolved government system.

BACKGROUND INFORMATION FOR INTERVIEW

1. What is the name of the county that you operate in?

2. For how long have you worked with KeRRA?

3. For how long have you been holding your current position?

PART 1: STRATEGY IMPLEMENTATION PROCESS

1. Does KeRRA carry out situation analysis?

2. How was the organization objectives set in the strategic plan?

3. How were the vision and mission of KeRRA formed?

4. How is strategy implementation process carried out in KeRRA?

PART 2: STRATEGY IMPLEMENTATION CHALLENGES

PERSONNEL

1. In your own consideration do human resource capabilities pose a challenge to strategy implementation? Explain.

2. How does leadership ineffective coordination and poor sharing of responsibilities affect strategy implementation at KeRRA?

3. In your own opinion how would you describe the understanding of the human resource team on the goals and objectives of strategy implementation at KeRRA?

4. Do you believe the training and expertise accorded to the human resource personnel is adequate for strategy implementation at KeRRA?

5. How do the leadership capabilities within the organization affect strategy implementation?

FUNDING

6. Does KeRRA have resource constraint hindering strategy implementation?

7. What kinds of resources (e.g. Human, Financial Technological etc.) are hindering the strategy implementation?

8. What measures have been put in place by KeRRA to ensure that the resources are available for successful strategy implementation?

9. What effect do public accounting policies have on the strategy implementation at KeRRA?

10. In your own opinion does the budgetary allocation from the national government affect the strategy implementation at KeRRA?

ORGANIZATION CULTURE

11. What are the strategic implementation problems that are related to organizational hurdles?

12. How does the organization culture pose challenge in strategy implementation?

13. What are the measures you put in place to ensure that challenges of strategy implementation are dealt with in the organization?

14. How do the monitoring and evaluation structures influence strategy implementation at KeRRA?

COMMUNICATION

15. How does KeRRA organization structure affect communication from top management to other staff and vice versa?

16. How does communication process affects strategy implementation process at KeRRA?

17. Do you think there is adequate communication to employees on strategic implementation in the organization? 17. What are the other factors that influence strategy implementation within Kenya Roads Authority?

18. Do you believe the organization has achieved sufficient coordination to support the success of strategy implementation at KeRRA?

APPENDIX III: LIST OF COUNTIES

Baringo County	Migori County
Bomet County	Marsabit County
Bungoma County	Mombasa County
Busia County	Muranga County
ElgeyoMarakwet County	Nairobi County
Embu County	Nakuru County
Garissa County	Nandi County
Homa Bay County	Narok County
Isiolo County	Nyamira County
Kajiado County	Nyandarua County
Kakamega County	Nyeri County
Kericho County	Samburu County
Kiambu County	Siaya County
Kilifi County	TaitaTaveta County
Kirinyaga County	Tana River County
Kisii County	TharakaNithi County
Kisumu County	Trans Nzoia County
`Kitui County	Turkana County
Kwale County	UasinGishu County
Laikipia County	Vihiga County
Lamu County	Wajir County
Machakos County	West Pokot County
Makueni County	
Mandera County	
Meru County	

Source: Government Press (2015)