CHALLENGES OF IMPLEMENTATION OF STRATEGIC ALLIANCES AT THE KENYA POWER LTD

BY

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DECLARATION

I declare this project is my original work and has not been presented for any academic award in any other university.

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Reg. **D61/65649/2013**

Declaration by Supervisor

The research project has been submitted with my approval as the university Supervisor.

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DEDICATION

I wish to dedicate this project to my immediate family members and friends. I also dedicate this work to my classmates and colleagues at work.

ACKNOWLEDGEMENT

I take this space to thank almighty God for the gift of life, health and strength given to me for the development of this project. I appreciate the effort made by my supervisor, Prof. Zack Awino, for objective criticism and friendly guidance throughout the entire period of proposal writing, research process to this final report. He dedicated most of his time guiding me whenever I needed him.

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TABLE OF CONTENTS

DECLARATION .... **ii**
DEDICATION .... **iii**
ACKNOWLEDGEMENT .... **iv**
ABBREVIATIONS AND ACRONYMS .... **vii**
ABSTRACT .... **viii**
CHAPTER ONE: INTRODUCTION **1**
1.1 Background 1
1.1.1 Strategic Alliances 2
1.1.2 Challenges of the implementation of strategic alliances 4
1.1.3 Energy Sector in Kenya 7
1.1.4 Kenya Power Ltd 8
1.2 Research problem 10
1.3 Research objective 12
1.4 Value of the study 12
1.5 Chapter Summary 13
CHAPTER TWO: LITERATURE REVIEW **14**
2.1 Introduction 14
2.2 Theoretical Foundation 14
2.2.1 Resource Dependence Theory 14
2.2.2 Resource Based Theory 15
2.2.3 Transaction Cost Theory 16
2.2.4 Dynamic Capability Theory 17
2.3 Strategic Alliances Structures 17
2.4 Strategic Alliances Implementation Challenges and Organisational Strategy 19
2.5 Empirical study and research gaps 21
2.6 Chapter Summary 23
CHAPTER THREE: RESEARCH METHODOLOGY **24**
3.1 Introduction 24
3.2 Research Design 24
3.3 Data Collection 25
3.4 Data Analysis 26
3.5 Chapter Summary 26

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION 27

4.1 Introduction 27

4.2 The Interviewees 27

4.3 Strategic Alliance 28

4.4 Challenges of Strategy Implementation 33

4.4.1 Coordination 33

4.4.2 Alliance Structure 36

4.4.3 Management Control and Commitment 37

4.4.4 Organizational Culture Clash 38

4.4.5 Human Resource Skills 39

4.5 Strategic Alliance Implementation Challenges and Strategies 40

4.6 Chapter Summary 43

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS 44

5.1 Introduction 44

5.2 Summary 44

5.3 Conclusion 46

5.4 Implication on Policy, Theory and Practice 47

5.5 Recommendations 49

5.6 Limitations of the Study 50

5.7 Suggestion for Further Reading 51

5.8 Chapter Summary 51

REFERENCES 53

APPENDICES 58

Appendix I: Interview Guide 58

Appendix II: The Structure for top management in Kenya Power 62

Appendix III: Letter of Introduction to the respondents 63

Appendix IV: Approval letter from Kenya Power to Collect Data 64

ABBREVIATIONS AND ACRONYMS

ATM:	Automatic Teller Machine
BI:	Business Intelligence
DCS:	Design and Construction System
DCT:	Dynamic Capability Theory
ERP:	Enterprise Resource Planning
FDB:	Facility Database
GDC:	Geothermal Development Company
GM:	General Manager
ICS:	Integrated Customer System
ICT:	Information Communication Technology
IFC:	International Finance Committee
IMS:	Incident Management System
IPPs	Independent Power Producers
JICA:	Japan International Corporation Agency
KENGEN:	Kenya Generating Company
KETAWU:	Kenya Electrical Trades and Allied Workers Union
KETRACO:	Kenya Transmission Company
KP:	Kenya Power
LCA:	Local Cash Application
RBT:	Resource Based Theory
RDT:	Resource Dependence Theory
REA:	Rural Electrification Authority
SAP:	System Application Products
TCT:	Transaction Cost Theory
TMS:	Transport Management System

ABSTRACT

State corporations have come under close scrutiny on their efficiency in performance and service delivery. Restructuring of the state corporation has therefore been undertaken to create a sense of urgency in their performance. Restructuring of the energy sector lead to the birth of KENGEN, GDC, and KETRACO. Kenya Power was left with the business of power distribution and connecting of customers. With a more focused business Kenya Power is expected to improve its performance because the excess baggage of power generation and transmission was transferred to KENGEN, GDC and KETRACO. Kenya Power is focused on implementing its strategies and enhancing the performance to achieving vision 2030. Strategic alliances have been used as one of the vehicles to enable strategy implementation by Kenya Power. This research project was a case study on Kenya Power. The objective of the study was to determine the challenges of implementation of strategic alliances at Kenya Power. In order to meet the objectives, primary data was collected through the use of interview guide instrument. Data collected was analyzed qualitatively by use of content analysis method. The study established that the major challenges of implementation of strategic alliance are either the “hard” or “soft challenges. The hard challenges are organizational based and includes; management coordination, management control and implementation, structure and organizational culture. The soft challenges includes; human resource skills and competencies, opportunistic tendencies and conflict. Challenges of implementing strategic alliances were also noted to impact strategy implementation. The study established that management control impacts or the strategies of power cost, power distribution and transmission loss; management control impacts or strategic fit between partners; structure and culture impacts on customer care and responses between Kenya Power and alliance partners. Human resource skills and competencies as well as opportunistic behaviours were noted to be associated with unilateral contracts. The study revealed that Kenya Power has the highest clientele because individual and industrial consumers use power. It recommends that the organization looks “outside the box” and strategize on a long term, how to be self-sufficient. It should utilize technology and knowledge therefore to produce some of externally acquired products and services. Establishing mobile phone, bank and Insurance Service would emancipate Kenya Power from the alliances with Safaricom, Banks and Insurance Companies. This would however require a repeal of the Act that create Kenya Power.

CHAPTER ONE

INTRODUCTION

1.1 Background

Business trends in 21^{st} century have shifted from self-sufficiency paradigm to relationships and connectivity. There has been a notable increase in the number of external organizational modes such as strategic alliances over the past decades. Large strands of literature on strategic alliances mention sharing of costs and risks, learning of new skills and technology, market penetration and joint research to be among the benefits gained in external organizational modes. However there is an almost equal measure of reports indicating that more than half of strategic alliances do not prove to be successful (Ulijin et al, 2010). Building of strategic alliances requires clarity of vision and mission and a well-crafted strategy on how to implement them. Well thought of strategic alliances have been found to fail at their implementation stage because of "hard" and "soft" challenges usually unforeseen or underestimated by the partners.

Building of strategic alliances requires that the internal processes and structures of partnering organizations be reconfigured to build compatibility. Resource Based Theory (RBT) and Dynamic Capability Theory are largely applied in understanding the implementation processes of strategic alliances. RBT calls for strategic resources mapping in the organization and their efficient utilization in value adding activities. Deficiency of the strategic resources calls for their external provision through strategic alliances (Das et al 2000). Dynamic capability theory focuses on the organizations capability to integrate and reconfigure both internal and external resources and to generate competencies (Verona & Ravasi, 2000). RBT answers the need for creating strategic alliances while dynamic capability theory caters for their implementation.

There is a contrast between importance of strategic alliances and their high probability of failure during implementation. With the much acclaimed importance, prescriptive procedures to make strategic alliances a success on implementation ought to have been developed to date by scholars, researchers and consultants. The absence of prescriptive procedures of implementation makes strategic alliances to continue eliciting interest and motivation to researchers (Ireland et al, 2002).The interest to provide a solution to this controversy motivates this study.

Kenya Power is in the business of power transmission and sale of power. It's in an environment that has been considerably influenced by the government and technological changes. The organization makes alliances upstream and downstream of its business process. The alliances are made up of suppliers, technical providers, financial and other service providers to ensure implementation of the strategies. The challenges of strategy implementation are unique to an organization and hence the need to have the study based on individual organizations like Kenya Power.

1.1.1 Strategic Alliances

Strategic alliances are partnership of two or more corporations or business units that work together to achieve strategically significant objectives that are mutually beneficial (Dean & Yunus, 2001). The alliances can exist in form of short-term contracts or long-term engagements involving equity acquisition or joint ventures (Greenhalgh, 2001). Forming of strategic alliances can be done at local, international or global level depending with the objective of the organization. Jangkrajarn (2011) view strategic alliances as vertical, horizontal or external.

Vertical alliances occur in upstream alliance along the supply chain to ensure sustained availability of inputs. Horizontal alliances involve competitors players in the same industry coming together to form mutual agreements of interest. External alliances involve parties in different markets but have complementarities that enable them to achieve their objectives.

Strategic alliances are critical to organizations for a number of reasons that includes: growth strategies, entering new markets, obtaining new technology, reducing financial burden, sharing cost of research and development (Dean & Yunus, 2001). Companies seeking growth through market expansion in new territories do not have time to establish new markets systematically. It’s therefore convenient, easier, less stressful and time saving to partner up with an existing company already in the new market place (Ohmae, 1992). New technology transfer at low cost or at best quality is attained through strategic alliance more so on situations where the host put the transfer as a condition to alliance. Technology acquisition equips the employee with appropriate skills which remains within the organization even after the alliance (Hsieh, 1997). Alliance on joint product research leads to spreading of financial risk and costs associated with the research investment. The research is also timely completed and there is synergy gained through knowledge saving (Wheelen & Hangar, 2000).

Strategic alliance exists in the form of joint ventures, equity, non-equity, and global strategic alliances. Joint ventures occur when two or more firms join to form an independent company while retaining their legal identity. The venturing firms contribute the investment capital and resources and jointly share any proceeds or gains.

An equity strategic alliance arises where two or more firms own proportions of share capital in a company that they have formed for purpose of gaining competitive advantage. A non-equity strategic alliance occurs in form of contractual arrangements to share resources and competencies in order to gain competitive advantage (Hill et al, 1997). The non-equity alliance includes franchise, product licensing and distribution relationship. Global strategic alliances are cross border alliances between companies and across industries largely for market share expansion and growth.

1.1.2 Challenges of the implementation of strategic alliances

Implementation of strategic alliances involves operationalizing of partner's plans, intentions and expectations (Kale, 2009). Implementation phase reveals the antecedent outcomes which pose challenges to alliances implementation (Zam et al). Strategic alliances implementation challenges are categorized as either "hard" or "soft" (Ulijin et al, 2010). The "hard" challenges are process and organizational based while the "soft" components are human based. The "hard" components include; implementation coordination, structural changes, managerial control and cultural dimensions. The "soft" challenges are; opportunistic behaviors, conflict resolutions, communication and the human resources.

Strategic alliance implementation requires a lot of coordination to ensure institutionalization of processes, systems and learning transfer mechanisms between partnering firms (Dyer et al, 2001). There is therefore a need to have a dedicated managerial coordination function or team to coordinate the implementation process. The coordinating team that is drawn from all the partners is usually headed by an external consultant, thereby making the coordination work rigorous and expensive (Gnyahi et al, 2001).

Ireland et al, 2002 observes that firms with a managerial coordination function achieved 25% implementation success rate compared to firms without such a function. The managerial coordination team ensures timely availability of resources, integrates the processes and offers solution to problems before they impede the implementation.

Structure pose a challenge to implementation of strategic alliance because it involves restructuring of organization and work processes (Das et al, 1997). Structure of alliances reflects the vision and intentions of the partners. Structure influences flexibility and how operational functions of marketing, production, information sharing, equipment's and logistics are operationalized (Klint et al, 2003). Choosing the appropriate structure from joint ventures, equity bilateral, equity unilateral or contracts structure involves creating a fit between the structure and alliance strategy (Colombo, 2003).

Management control and commitment challenge arises when the partners in an alliance exercise control and influence in an attempt to reduce the level of uncertainties (Ireland et al, 2002). Jostling for key positions that give power and influence is a characteristic of alliance implementation (Das et al, 1997). Trust and commitment to the alliance is reduced where a partner exercise a disproportionate level of control. Hill et al, (2000a) has observed that willingness to share resources and to engage in risk oriented ventures is influenced by the level of trust between partners in alliances. Commitment to the alliance is the degree to which the partners involve their time, energy and resource. Das, 2000 suggests that management horizon orientation influences the commitment. Managers with short-term horizon show little commitment and are likely to be involved in opportunistic tendencies and pursuit of short term goals.

Culture clash is bound to be a challenge in implementing strategic alliances because alliances are encounters between partners with different backgrounds. Holfsted (2001) categorizes culture to be national, organizational, or professional. Culture determines alliances compatibility, integration and harmony (Grotehuis, 2001). National cultures that affect alliances at national or global level include power distance, uncertainty avoidance, long term orientation and long term drive. Corporate or organizational culture has extremes of: rigid or flexible structure, process or result orientation in work, pragmatic or nominative attitude towards market, open or closed systems (Ulijin et al, 2001). Presence of organizational cultural discrepancies results to alliance implementation challenges. Professional culture clash is the difference in perception and behaviour held by people in different professions. Professional culture challenge occurs when the firms in the alliance are in different industries Ulijin et al (2010).

Human resource skills, competences, commitment and capabilities are a challenge to alliances implementation; occurs when partners fail to commit the best of their employees to the alliance. Uncertainties in alliances and short horizon perception held by managers make them perceive strategic alliances as temporally undertakings that requires less performing employees (Das et al, 1997). High staff turnover occur in strategic alliances due to their temporality nature which breads a sense of insecurity to the employees. Staff turnover that includes departure of alliance champions reduces morale, commitment and psychological stability of employee (Elmuti et al., 2001). Interpersonal relationships between the employees are fragile due to high staff turnover, instability, unstable cultures and absence of psychological contract in alliance employees (Armstrong, 2007).

Tressen and Liviton, (2000) suggest that competitive partner's behaviour results to opportunistic tendencies which pose a challenge to strategic alliance implementation. The opportunistic behaviours include; appropriating partner's resources, distorting information and harbouring hidden agendas. The overall effect of opportunistic behaviours is to undermine cooperation, trust and commitment between the partners thereby making it difficult to implement organizational strategies (Das et al., 1999).

Conflict in strategic alliance results to disagreements and delays in implementation. Strategic alliances are characterized by conflicts because of mistrust, opportunistic behaviours of partners (Colombo, 2003). Partners to the alliance spend most of their time solving conflicts thereby slowing the implementation process. Conflicts in strategic alliances would be minimized if the partners have clear contracts, open communication policy and efficient conflict resolution mechanisms in place (Ulijin et al, 2010).

1.1.3 Energy Sector in Kenya

Energy sector in Kenya has subsectors of electricity, biogass, fossil fuels and other renewables. Energy sector can be categorized on time phases as: past, present and future for purposes of this study. The past of the sector is the period prior to 2004 when Sessional paper No.4 of 2004 that forms energy sector blue print was developed. The present is period covered by the sessional paper i.e. 2004-2018. Future is defined by Vision 2030 which is the government economic and strategy blue print.

Prior to 2004, electricity constituted the major source of energy for industrial, commercial and households' consumption. Kenya Power managed generation, transmission and marketing of electricity as a state monopoly. Electricity was largely hydro characterized by deficiencies caused by cyclic or seasonal rain patterns. Other sources of energy were largely untapped and exploration was not emphasized as a strategy for the energy sector

Sessional paper No.4 of 2004 restructured energy sector institutions; created new ones and established Energy Regulatory Commission (ERC). Focus was placed on other sources of energy resulting to enhanced government efforts in exploration of coal, oil and nuclear energies. Energy, Act of 2006 which is an off-shoot of this sessional paper restructured the management of power and electricity in Kenya by separating the functions of production, transmission and commercialization or retailing. Electricity and power generation function is managed by KENGEN, IPPs and GDC. KENGEN & IPPs generates both hydro and geothermal energy. Transmission function is managed by Kenya Power, KETRACO and REA.

Vision 2030 provides future strategic direction to the energy sector. The vision recognizes energy as the key enabler to Kenya achieving industrialization and middle income status. It projects a national potential of 10 gigawatt (GW) and a requirement of 5 GW by 2030. This is against a current production of 200 megawatts (MW) and a projected production of 1 GW in 2018 (ERC, 2013).The high electricity production strategy is a fit to support the country's industrialization and lifestyle status envisaged in vision 2030. The vision emphasizes on utilization of other sources of energy especially coal, oil and nuclear.

1.1.4 Kenya Power Ltd

Kenya Power is a public limited company listed in Nairobi Securities Exchange (NSE) with the Government of Kenya being the major shareholder. The company was incorporated in 1922 as the East African Power and Lighting Company (EAP& L). With the collapse of East African Community in late 1970's the company became Kenya Power in 1983. Prior to Sessional Paper No.4 of 2004, Kenya Power had a monopoly in managing power and electricity in the country being responsible for the functions of power generation, transmission and distribution or retailing.

The current role of retailing and distribution is further redefined by splitting the function of electricity transmission into three categories through the Energy Act of 2006: Kenya Power transmits power using the old transmission lines, KETRACO builds and transmits on new transmission lines and also builds high voltage substations .The substations built by KETRACO act as power stabilizers which reduce systems loses and power outage; REA transmits electricity to rural areas.

Kenya Power core business remains to be power distribution, customer's connectivity, maintenance of old transmission lines and customer service. Kenya Power buys power from generating companies in bulk and retails it to customers. Power is bought from KenGen, GDC and IPP's through power purchase agreements. The company's goal is developing and implementing a customer focused policy that ensures reduced power access cost, increased new connections, customer convenience in payment through application of technology and hence increase sales as well as reducing revenue pilferage.

The future strategic direction of Kenya Power is guided by its newly defined role and is captured in vision 2030. Key strategies to Kenya Power on which it builds strategic alliances includes; increasing the customer base through enhanced connectivity, efficient buying of power, reduction of energy loss between the point of purchase and distribution point to the customer, convenience to the customer at the point of pay and reduction in the loss of revenue. Kenya Power has entered into a number of strategic alliances upstream and downstream in implementation of the strategies.

Kenya Power has independent contractors who are certified technicians to undertake connectivity to customers. The contractual agreements has enabled Kenya Power to cover wide geographical spread at a reduced operational cost while maintaining quality and safety through work inspection and certification. Long-term agreements have been entered with Ken Gen and GDC on bulk power procurement at discounted pricing, and guaranteed availability. IPP’s are on structured contract to supplement the national grid when KenGen and GDC fail to meet the demand. Reduction of energy loss strategy incorporates alliance with KETRACO to provide quality transmission lines from the point of purchase to the customer distribution point.

Customer service enhancement strategy have incorporated Information technology of internet and mobile telephones. Strategic alliances have been entered with Safaricom and Communication Commission of Kenya. Commercial banks have been looped into alliance in the strategy of increasing customer’s convenience at the point of pay as well as reducing revenue loss. Other alliances have been achieved through outsourcing of non-core services leaving Kenya Power to concentrate on its core business of service delivery, improvement of its bottom line and creation of wealth on behalf of the shareholders. Strategic alliances have been instrumental to implementation of Kenya Power strategies because they have helped to increase efficiency, reduce cost, and improve performance of the organization.

1.2 Research problem

Businesses all over the world are dotted with strategic alliances in various structural forms such as joint ventures, strategic partners, collaborations, franchising and currently use of the word “family” to describe all partnering organizations. Strategic alliances have been credited with enabling organizations going cross border foothold, access technology and raw materials, gain competence and allow management to concentrate on the core business. Despite their acknowledged importance, the alliances are associated with a high failure rate. No matter how well formulated or intentioned they could be, their implementation have met challenges that culminate to repeated failures. The diabolical phenomena of recognized importance and persistent failure make challenges of implementing strategic alliances to be an interesting area of study.

Kenya Power as one of the key players in the energy sector has implemented strategic alliances to help achieve its redefined strategies after restructuring of the energy sector. Alliances implementation at Kenya Power has involved firms internal and external to the energy sector and with various discrepancies in form of structures, cultures, objectives, goals, management orientation and technology. The broad divergence between Kenya Power and its partners produces alliance implementation challenges that call for a close analysis and study.

Several studies that have been taken on strategy implementation largely focus on challenges determinants, structure and strategic change. Ganzaler, M. (2001) and Dean et al (2001) have written on general overview of strategic alliances focusing largely on the process of building the alliances. The study found out that the process especially clear definition of organizational strategy is critical to successful strategic alliance. Jaloni, P. (2005) have researched on the influence of managers' characteristics and perceptions in strategic alliance practice.

Conclusions of the study are crucial in formation of strategic alliance and also determine their survival. Das, T.K. (2000) has focused on resource based theory of strategic alliances. He concludes that rationale for alliances is the value creation potential of firm resources that are pooled together. Duane et al (2002) have studied on strategic alliances management as a source of competitive advantage. The study concludes that strategic alliance offers competitive advantages to the firm.

Ulijin et al, 2010 studied on the influence of culture on strategic alliances. The study concludes that culture plays a critical role in implementation of the strategy. Musila (2009) studied on strategic alliance drivers between Kenya Power and Safaricom on Mobile telephone payment. The study concludes that there is mutual gain to both parties in the alliance.

To the best of researcher's knowledge, no known study has been undertaken on the challenges of implementation of strategic alliances at the Kenya Power. The study seeks to fill this gap by answering following research question; what are the challenges of implementation of strategic alliances at Kenya Power?

1.3 Research objective

(i) To determine the challenges of implementation of strategic alliances at KP.

(ii) To determine the relationship between challenges of strategic alliances implementation and organizational strategy implementation.

1.4 Value of the study

The study shall contribute to the existing body of theory and knowledge about strategic alliances by closing the gap that exists between formulation and failure of strategic alliances during their implementation. The challenges at implementation thus shall be espoused by the study and hence reduce their failure rate of strategic alliances.

The study will be of significant use to Kenya Power and other organizations in the energy sector. Kenya Power and other firms in the energy sector shall apply the findings of the study to provide solutions to the challenges encountered in strategic alliances implementation. This shall improve the success rate of strategic alliances leading to successful implementation of their strategies.

Academicians and scholars shall use the study as a basis of comparative analysis with other studies carried out in the industry and economy regarding strategic alliances. The analysis shall provoke thought and creativity and therefore a basis of further research on strategic alliances.

1.5 Chapter Summary

The chapter has covered the background of the study giving the theoretical and contextual frameworks that have acted as a guide to the study. The general background elicits the importance of strategic alliances in the current set ups of business operations especially implementation of organizational strategy. Theoretical settings guides on the applicable theories to the study which consolidates the universality of strategic alliances implementation. Resource dependence theory, Resource based theory and Dynamic capability theories are applied to strategic alliances to depict the external and internal environment influence to implementation of strategic alliances

The challenges of strategic alliances implementation are depicted as: coordination, management control, structure, culture and conflict of interest. The energy sector in Kenya has been dissected to give insight to streamlining of the energy sector by the government. The sector has been streamlined to power generation, transmission and commercialization or distribution. Kenya Power is primarily focused on power distribution and builds strategic alliances to achieve the objective of efficient power distribution to the customers. The research problem, objective of the study and value of the study have also been covered in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter brings into study the strategy implementation and the role played by strategic alliances. It carries a review on theoretical framework which supports study of strategic alliances. The chapter further reviews literature on strategic alliance structures, strategic alliances and strategy implementation challenges.

2.2 Theoretical Foundation

Theories on strategic alliances are modeled along the prisms of formation rationale, structure and performance. Commonly used theories include, Resource Dependence Theory (RDT), Resource Based Theory (RBT), Transaction Cost Theory and Dynamic Capability Theory.

2.2.1 Resource Dependence Theory

Pioneered by Pfefer and Salanciks in 1978, the theory is built on the premises of uncertainty caused by dynamism of environment and dependence of the organization to the external environment for resources. Glaister (1996) observes that organizations are never self-sufficient in the resources that they need, and have to depend on other organizations in the environment. Interdependence of organizations implies that actions of one firm affect the other. This creates a situation of uncertainty about survival and success of the organizations since managers have no control over the action of the other corporates they relate with (Hillman et al, 2009). Organizations attempt to reduce the level of interdependence and uncertainty by creating strategic alliances.

Critical resources are key in determining the level of uncertainty or dependence which triggers the responses of the organizations to form strategic alliances (Pfeffer and Salancik, 2003). A resource is said to be critical if it's scarce and its deficiency will directly affect the survival of an organization. An organization that has control over critical resources has power over those organizations that depend on it. It can therefore make high demands especially on pricing and distribution changes hence increasing uncertainty. Strategic alliances are formed to stem the power that an organization has over the other by reducing the level of dependence.

2.2.2 Resource Based Theory

Resource Based Theory (RBT) focuses on value maximization of organizations valuable resources through pooling and effective utilization (Das et al, 2000). A resource is described to be valuable if it possess the characteristics of being scarce, imperfectly imitable and lacking direct substitutes (Barney, 1991).Acquisition of such resources though a strategic necessity can't be effected through market exchange or trading because the strategic resources are at times mingled with other resources or embedded in organizations(Chi, 1994). Strategic alliances are therefore formed for purpose of overcoming limitations in resources acquisition.

The motives for forming strategic alliances according to resource based theory are to obtain other resources and to retain and develop already existing resources owned by the organization (Das et al, 2000). Strategic alliance forms a convenient means of obtaining the resource because the acquiring organization shall selectively use only those resources and assets it needs from the partnering organization. There is therefore convenience to the organization in acquiring only those resources and assets that are of value to it or are "digestible". This contrasts to mergers and acquisition where the acquiring organization takes the "digestible" and "indigestible" resources and assets

(Hennart et al, 1997). Retaining and developing resources occurs where an organization has excess of a resource that it doesn't intend to dispose due to strategic future reasons. Strategic alliance enables the organization with excess resource to use them together with other needy organizations without losing their possession. The organization retains, develops them and avoids their decadence (Kogut, 1988).

2.2.3 Transaction Cost Theory

Transaction cost theory centers on minimizing of organizations transaction and production cost, Kogut (1988) suggests that organization prefer strategic alliances when the transaction costs are not very high or are medium and don't justify vertical integration, mergers or acquisitions. Transaction costs of negotiations, risk management, monetary performance, writing and enforcing contract are reduced through the alliances. Production cost are internal costs arising from managing production or are associated with the learning curve of organization operations. Strategic alliances shall be formed when production cost are low or moderate (Gulati, 1995).

Formation of strategic alliances reduces transaction costs and hence increases efficiency because the costs are internalized to an organization. Ramathan et al, 1997 suggests that internalization which is achieved through joint venture reduces environmental hazards and high uncertainties associated with assets specificity and monitoring of performance. Transaction cost theory also reduces comparative cost of planning, adapting and monitoring task completion and hence forms an alternative governance structure (William, 1985).

2.2.4 Dynamic Capability Theory

Teece et al, 1997 states that theory of dynamic capability focuses on the organizations ability to constantly integrate and reconfigure its internal resources in order to have competitive advantage under a changing and dynamic environment. An organization is described to be dynamic when it has capacity to enhance and regenerate competencies that are aligned to the changing environment. Dynamism of an organization is mirrored to organizational learning theory whereby the information stored in the organization memory is viewed as tacit knowledge which is retrieved, shared and used for achieving organizational strategies and to generate competencies (Cha et al, 2008). Capability is integration and configuration of all organizational resources, internal and external, in response to the changing environment. Knowledge, learning mechanism, dynamic capability and performance are the key components of dynamic capabilities (Shi-yi-chien et al, 2012).

Dynamic capability theory is applicable to strategy implementation because resources provided to the organization need to be reconfigured and integrated to the strategy being implemented. Strategy implementation process is characterized by several adjustments that emanate from monitoring and control. This calls for learning mechanisms and creativity provided by the theory. Strategy is implemented through prescribed timelines and budgets hence the need for performance as in the dynamic capability theory.

2.3 Strategic Alliances Structures

Strategic alliances are contingent to the resource type and the organization's intent to acquire valuable resource from the other party while maintaining control of the resources at hand (Das et al, 2000). Organization's resources can be classified as either property based or knowledge based (Miller et al, 1990).

Property based properties are legally owned by the organization and therefore can't be transferred in alliance relationship. They include financial capital, physical resources, copyrights, patents, contracts and human resources. Knowledge based resources includes know-how, skills, technology and managerial resources. Knowledge resources also have imperfect mobility, inevitability sustainability. The organization has no legal ownership and would therefore be easily transferable in alliance relationship (Das et al., 2000). Alliances structures on the basis of resources transferability can be classified as either equity, joint ventures, minority equity alliance, bilateral contract based alliances or unilateral contract based alliances. The alliances structures exist as either equity alliances based or non-equity based.

Equity Joint Ventures are in the category of equity based alliances. The organizations in the alliances contribute almost the same level or an equal amount of capital investment to form an independent company. They jointly work together in the independent entity for a considerable length of time (Black et al, 1994). The lengthy working relationship results to transfer of knowledge based resources. Equity joint venture is therefore suitable where the organization's with property resource has motive to acquire knowledge based resources while maintaining its resource. The suitability shall however reduce if both organizations have property based resources (Hennert et al, 1997).

Minority equity alliances are an equity based alliance where an organization takes an equity position in another organization's board without a control interest. The objective is to monitor resources and activities of the organization which might be made to the detriment of the other company (Lang et al, 1990). The minority equity alliances serves to reduce environment uncertainty by predicting anticipated action of the independent organization and influencing its actions through appropriate interventions at the interlocking boards of organizations (Lang et al, 1990).

Bilateral contract based alliances are non-equity based alliances. The alliance is based on contract between two or more organizations which have knowledge based resources. The organization work together for the contractual time and there is mutual learning and benefits to the organizations (Hamel, 1991). Bilateral contract are suitable for joint research and development, joint marketing and promotion, joint production and joint customer service delivery. Unlike equity based joint ventures which are internationally terminated once learning has been accomplished, bilateral contracts are usually extended due to mutual benefits and absence of opportunism (Inkpen et al, 1997).

Unilateral contract based alliances are alliances based on contracts which allow partner organizations to work independent of each other. The alliance is suitable to organizations with property based resources such as plants, distribution channels subcontracting, patents and copyrights. The property resources are acquired through legal procedures and the knowledge-based resources is left embodied to the providing organization hence there is no knowledge resources acquisition (Kogut, 1988).

2.4 Strategic Alliances Implementation Challenges and Organisational Strategy

Strategic alliances are formed to facilitate implementation of the organizational strategy. Consequently the challenges encountered during strategic alliances implementation directly affect implementation of organisational strategy (Webster, 1999). Alliances implementation challenges include; coordination, structure, management control and commitment, culture and human resources practices

Poor coordination of strategic implementation activities implies absence of synchronization of alliance partner's operations, lack of compatibility, team work and goal congruence (Dyer et al, 2001). Absence of teamwork between alliance partners leads to delay in work processes, production interruptions, technology misfit and poor customer service (Kale et al, 2009). There is therefore need to have a joint enterprise resource planning, sharing of information on a real time basis and enhancement of communication between alliance partners through appropriate technology (Harmel, 1991). More coordination is required for unilateral and bilateral contract structures compared to equity based alliances or joint ventures which operate independent of partnering organisations.

Restructuring of the organization occurs with creation of strategic alliances. An appropriate organization structure shall determine how organization strategy shall be implemented (Mockle et al, 1997). Organic structures are preferred because they provide the required flexibility that enables modification of strategic alliances (Daft, 2007). Work design through business process re-engineering to align with the new structure, influences technology, productivity and output of the organization (Johnson & Scholes, 2007).

Management control and commitment challenge determines the level of trust, commitment, risk and resources expended to the strategic alliance (Hitt et al, 2000a). A higher managerial control by one partner creates mistrust to the other partner. The partner with less control commits fewer resources to the alliance thereby negatively influencing implementation process (Dyer et al, 2001). Higher management control in equity based alliances especially in Joint ventures impairs the horizon of the partner with less control making him to prefer short term strategies at expense of long-term strategies which are more beneficial to organizational strategy (Das, 2006). A higher managerial control is also known to stifle creativity and innovation which are critical for modification during the strategy implementation

Culture in strategic alliances influences perceptions towards work, risk, power, pragmatism and attitude toward authority (Ulijin et al, 2010). Work values of diligence, need to accomplish, performance, risk appetite and tolerance plus commitment are influenced by national and corporate culture (Dose, 2007). A risk averse culture stifles ability to undertake research and to tolerate ambiguity (Hofsted, 2001). Employees with discreet cultures cause operational inconsistency at work place which leads to negative relational behaviours and absence of team working thereby affecting strategy implementation (Pears & Robinson, 2007).

Human resource challenges in implementation of strategic alliances pose the greatest implementation challenge to organization strategy. Skills, competencies and commitment by employees determine organization performance (Armstrong, 2007). Strategic alliances are usually treated as "dumping sites" for second rated performers and staff with questionable characters in the form of transfers. This leads to development of a culture of irresponsibility and poor performance in alliances (Elmuti et al, 2001).

2.5 Empirical study and research gaps

Empirical studies in strategic alliances are largely on; culture, technology, performance, efficiency in resources utilization and application of theories in strategic alliances. Ulijin et al (2003) researched on culture and its perception in strategic alliances and whether it affects performance. The study was an exploratory one focusing on Dutch–German ventures. The outcome of the study was that the performance of the firm was negatively affected in situations where there was no cultural fit and a big differences in national and corporate cultures existed. Organizations at global operational level are advised through the study to carry out cultural audit and map areas of developing a cultural fit in-order to reduce the cultural difference and improve performance.

Yasunda, H. (2005) studied strategic alliances in high technology industries. The study was a comparative one of the resource based theory and transaction cost theory. The study found out that the two theories contributed to strategic alliances performance but on different approaches. Resource based theory focused on gaining competitive advantage through value maximization of the resources within the organization. The transaction cost theory on the other hand focused on cost minimization from transactions and operations. This study advice that strategic alliances shouldn't be based on one approach but on a number of approaches which jointly enhance performance. The study found out that technological firms are necessitated to enter into alliances by the transient nature of technology which is constantly changing.

Das, T.K (2000) researched on resource based theory of strategic alliances theory. The study determined preferences of alliances on the basis of resource classifications. Das T, classified the resource on basis of mobility or imitability, property or knowledge and supplementary or complimentary. Based on the classifications, resources have different effect or relationship to alliances. Alliances formations or preference to enter into an alliance shall occur when mobility, imitability and substitutability are high. Alliance structure preference shall occur where the resource are knowledge or property based. The study advices on determining the nature of the resources when entering into alliances.

Elmuti et al (2001) made an overview of strategic alliances focusing on trends, risk and problems and success factors in strategic alliances. The study found that global trend is characterized by increase in strategic alliance as the world develops to a global village. Risks and problems identified include: lack of trust, poor coordination, and competition among the partners, cultural difference, performance and relational risks. The success factors include: clearly defined and shared goals, effective strong management teams, frequent performance feedback and commitment by partners.

2.6 Chapter Summary

The literature review has explored in a more detailed manner the theoretical foundation, strategic alliances structures, the impact strategic alliances challenges to strategy and empirical studies. Theories on Resource Dependence, Resource based, transaction cost and dynamic capabilities have been operationalised into strategic alliances implementation. The structures of strategic alliances have been studied and contextualized to Kenya Power. The strategic alliance structure adopted by Kenya Power has been found to be largely non-equity.

Challenges of strategic alliance implementation impact on strategy implementation because the alliance is one of the mechanisms adopted by the organizations to enhance implementation of its strategies. Identification and solving the challenges of strategic alliances implementation would help in strategy implementation because they would be effective in their operations. The empirical studies have elicited the research gaps arising out of the various scholarly works done by the researchers on the strategic alliances. The studies reveal that the area of strategic alliances is a wide one and allows the researchers to undertake their research works on strategic alliances based on various approaches and dimensions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is arranged to provide insight in research design, data collection and data analysis that was used in the study. The chapter provided a broad framework on methodology to be applied in the research. In designing the research, the key areas of emphasis that would determine the data to be collected were identified. The appropriate method of analysis is identified in this chapter.

Methodology of research is linked to the research question and the research instrument. The research question formed the basis of the study. The interview guide, research design, data collection addressed the research question and the objectives of the study.

3.2 Research Design

The research design used was a case study because the unit of analysis is one organization namely Kenya Power. A case study was used because the researcher sought to have an in-depth understanding of the behavior pattern of the concerned unit. Case study allows the researcher to focus on the areas of my interest in the unit of analysis by limiting the research to the research questions and objectives.

Various method are open to the researcher in a case study once the phenomena and areas of interest have been identified. The researcher method applied was the one appropriate to the situation and hence the case study method is flexible. In using the case study, the phenomena was Kenya Power and the area of interest was the challenges of implementing strategic alliances.

3.3 Data Collection

Primary and Secondary data was used in the research. Primary data was collected from Kenya Power management staff who are involved in strategic alliance implementation. These include the ten managers of 10 division at Kenya Power (see Appendix II).

One manager from each of the departments was collected in constituting the respondents. Total number of the respondents were therefore 10. The managers gave information on challenges of strategic implementation in their particular functional area.

Secondary was collected from the documents and records of Kenya Power which were available from the organization's library. Online information from the organization's website was also used as a source of secondary data. Secondary data collected was only the one relevant to the area of the study on the strategic alliances. Confidentiality of the data was guaranteed by the researcher.

Data was collected through the use of interview guide instrument. The interview guide is an effective instrument for data collection in the case study because it can be contextualized to the organization and the situation under the study. In addition to the research questions, the interview guide can be structured to gather other information relevant to the study. Each of the 10 managers who were the respondents were given separate interview guide. The interview guide and administered through interview conducted by the researcher. The interview guide was structured as follows; demographic data, strategic alliances at Kenya Power, challenges of strategic alliances implementation at Kenya Power, and challenges of implementation of strategic alliances and organizational strategy.

3.4 Data Analysis

Content analysis method was used to analyze the data collected. Shanon et.al 2005 describes content analysis as the systematic quantitative description of the composition of the objects. The method involves description of items that constitute the objects of the study. The method was relevant to the study because quantitative research is usually conducted in the environment where the events have occurred.

Content analysis method was applied in rigorous exploration of many important but difficult areas of importance to the researcher. (Corley, 2002). The method was helpful in tracing the process and sequence of events in particular setting of the organization. In this study, the method explored the process of strategic alliances implementation at Kenya Power in order to determine the challenges. Content analysis method is also flexible because it allows the researcher to link the data gathered to external information that is relevant to the phenomena.

3.5 Chapter Summary

The chapter is on research methodology and gives a clear guidance on how the data shall be collected to answer the research question. The chapter focused on research design, data collection and data analysis. The research design was a case study that aimed at answering the research question on the challenges of strategic alliances implementation. The case study though contextual to the organization allowed in-depth analysis of the variables and was flexible enough to the researcher because the respondents gave information about their areas of operation.

Data collected and used in the study were both primary and secondary. Primary data was collected from the employees while the secondary data was derived from the records of Kenya Power. The data collected was relevant to the study and was analysed using the content analysis method. Content analysis method allows the researcher to apply reasoning, observation and experience based on researchers reasoning.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the data analysis and research findings for the study. The data collected was analyzed and interpreted in line with the objectives of the study namely, to determine the challenges of implementation of strategic alliances at Kenya Power. Content analysis method was used in analyzing the in-depth qualitative data that had been collected.

4.2 The Interviewees

The interviewees in the study were ten senior managers drawn from all the divisions of Kenya Power. The senior managers were drawn from all the divisions of Kenya Power because they are involved in drawing and execution of strategic alliances. Operationalization or implementation of strategic alliance is carried out at departmental or divisional levels. The divisions from where the respondents were drawn include; Corporate Affairs, Finance, Human Resources and Administration, Regional Coordination, Supply Chain, Customer Service, Network Management, ICT, Business Strategy and Infrastructure Development (see Appendix II). Every division is headed by a General Manager. The general managers where time and availability allowed were the respondents. In their absence, their departmental managers or chief officers with reasonable delegated responsibilities constituted the interviews.

Majority of the respondents have worked at Kenya Power for over twenty years with exception of four who had worked for a period of 15 – 20 years. Career growth of the respondents was on a particular professional line with all of them indicating having served on a position junior to the one currently occupied. Cross departmental working was not indicated by the respondents. This implies that Kenya Power operates on a functional organizational structure where specialization and functional departments form key parts of the organizational design.

4.3 Strategic Alliance

All the respondents indicated that Kenya Power was involved in strategic alliances in its operations. The key areas cited to have strategic alliances were; power generation, power transmission, power distribution or retailing, Information Communication and Telecommunications, revenue collection, Human Resource Management and legal services. The energy Act 2006 streamlined the energy sector by separating the functions of power generation, power transmission and power distribution and retailing. Kenya Power functions are power distribution and retailing.

In Kenya, electrical power is generated using hydro, geothermal, wind and thermal energy resource or diesel. KENGEN, GDC produce a hydro energy and geothermal energy respectively. IPPs on the other hand are largely on thermal energy to generate electricity. The respondents indicated that Kenya Power buys power from any of the producers. Kenya Power has therefore developed strategic alliances with KENGEN, GDC and IPPs for buying power. As statutory created organisations, the Acts that forms them clearly stipulates their role in the new energy power matrix. The Acts notwithstanding, the respondents indicated that the alliances are contractual engagements with written and signed legal binding contracts.

Transmission of power is done by both Kenya Transmission Company (KETRACO) and Kenya Power. Transmission involves transferring power from the generation point to the substations from where it's distributed to the consumers. Transmission is done through overhead power lines. Prior to enactment of energy Act 2006, Kenya Power operated transmission lines. With coming of the Act, KETRACO operates new transmission lines and builds new high voltage substations. Kenya Power however continues to operate old transmission lines and substations. Respondents indicated that strategic alliances between Kenya Power and KETRACO are necessary because the old lines are being upgraded to carry more power with modern technology and gradually being absorbed by KETRACO. The alliance was found to be important because Kenya Power is only mandated to distribute power from the substitutions. The alliance requires that Kenya Power contract KETRACO to transmit power once it buys from the power generators to the substations from where Kenya Power distributes and connects to the consumer.

Power distribution or retailing involves connecting power to consumers, both large and household, from the substitution once it has been transmitted by KETRACO. Respondents indicated that power distribution and retailing is now the core business of Kenya Power. Strategic alliances partners in the power and distribution function were found to include the independent contractors and metering. Kenya Power was found to have contracted most function of distribution and connections. The independent contractors were described by the respondents as qualified electrical engineers and artisans who are certified by Kenya Power training school to be qualified to undertake distribution and electrical works on behalf of Kenya Power. The independent contracts are also registered with the relevant government agency.

According to the respondents, Kenya Power has three categories of metering: conventional digital, smart, and prepaid metering. Smart metering is mainly for large power consumers while digital and prepaid meters are for medium industries and other consumers respectively. Convectional meter are now being replaced with prepaid and other digital meters to enhance revenue collection and to reduce possible fraud or tampering with meters. Prepaid meters allow electricity prepayments and electricity credit transmission (*okoa stima*). Kenya Power was reported to be at 70% in replacing the analogue meters with digital ones. Digital meters were reported to be accurate and deter tampering of meters while smart meters eliminates the need to have meter readers.

Revenue collection involves the various mechanisms applied by Kenya Power to collect money from the customers after consuming power. Revenue is also collected for services such as initial power connections and reconnections. Revenue collection was described as a process that involves meter reading, billing and cash payment. The respondents categorized revenue collection process into online and convectional way of banking halls, other banks, Posta and Uchumi Supermarket stores pay points. Digital revenue collection involves use of handset mobile phones to settle cash accounts with Kenya Power like M-Pesa and ATMs of specific banks.

Most digital cash collection was identified to be on prepayment arrangement, whereby the consumer pays for power before use. Electronic money transfer has enabled this mode of revenue collection through the use of MPESA. Safaricom who are proprietors of M-PESA are therefore a key strategic partner in revenue collection. Non digital revenue collection was described to involve direct banking to the Kenya Power account with commercial banks or paying directly at Kenya Power banking halls. Commercial banks and key retailers like Uchumi Supermarkets are therefore strategic partners in the revenue collection. The respondents indicated that Kenya Power is moving away from non – digital cash collection to digital cash collection.

Conventional method of revenue collection was described as having the following notable problems; expensive because it requires employing meter readers, it’s a post pay system whereby customer pays after the use of power, administering is expensive because it require bill generation and posting, and is inaccurate. Digital system of cash collection was described to be efficient in the following ways; improves cash flow because it’s a prepay, customer’s convenience as he pays from mobile phone, administratively less expensive because it requires no meter readers and is accurate.

ICT strategic alliances involve collaboration with key ICT firms to provide the required support to the Kenya Power ICT division. ICT firms in the alliance were categorized into 2; the hardware and software solution providers. Firms in hardware strategic alliance were reported to provide technical support to ICT development, maintenance, upgrades and consultancy. Software alliance is on the other hand may be viewed for two sources. The in-house developed systems tailored for Kenya Power business needs like ICS, LCA, DCS, IMS, FDB, BI and others are done through a long–term contractual arrangement with the vendors. This enables the Kenya Power IT staff acquire adequate training and subsequent upgrades to cater for emerging needs from the business and customers. The software are applied in revenue collection, customer service, design and construction of distribution lines, business intelligence to enable real time monitoring of Kenya Power business, facility database, communication, billing and general telecommunications. Key firms include IBM for business intelligence, oracle for data base management, Microsoft for general office automation and collaborations, Indra for specific in-house applications and SAP for Finance HR and logistics.

Telecommunication department in ICT was reported to be the nerve linking all regional offices, branch offices with the headquarters. The respondents indicated that networking links Kenya Power with customers, suppliers, strategic partners and the public. The organization was described to be reliant on internet for real time management. Most of the firms dealing with ICT also make the partners telecommunication management on a consultancy basis.

Finance was described to have the objective of ensuring capital availability for projects implementation, working capital management and availability of cash flow. The respondents reported that partners in finance can be categorized into; international finance firms; development partners and local financial institutions. International finance firms were reported to include World Bank, Africa Development Bank, International Finance Committee (IFC). Development partners include French Corporation, Chinese Fund and Japan International Corporation Agency (JICA). Local financial firms are largely the commercial banks operating in the county; Barclays, Standard Chartered, Equity, Cooperative banks among others. International Financial Institutions were reported to be major funders for long-term projects. Their funding is usually negotiated by the government through the Ministry of Energy on behalf of Kenya Power. Development partners funding is also negotiated by the government on behalf of Kenya Power. The development partners participate in projects whose impact to the society is wide. JICA for instance is engaged in rural electrification. Local commercial banks are partners in revenue collection and provision of capital funding for short and medium term projects.

Human Resources strategic alliances are with consultant firms, trade unions, health service providers and insurances. The consultant firms were reported to provide the services of recruitment, training and development and salary surveys. The consultants are engaged on a need basis. The respondents indicated that trade unions are viewed as partners in employee's industrial management instead of being viewed as an opposition group. Trade unions and organization have a common objective of ensuring organization's performance and improvement of workers welfare.

KETAWU is the strategic partner as per Kenya Power recognition agreement that is mandated in negotiation for all unionisable members of staff with Kenya Power. Health service providers execute Kenya Power medical scheme through the insurance companies. The major hospitals in alliance includes Nairobi hospital and Aga Khan Hospital among others. Insurance firms offer insurance services of medical, personal insurance and Kenya Power assets.

4.4 Challenges of Strategy Implementation

The section aimed at identifying the main challenges of implementing strategic alliances at Kenya Power. The following challenges were identified to greatly impact on strategic alliances implementation.

4.4.1 Coordination

Kenya Power was noted to have a host of strategic alliances which cut across all the operational departments and span across national and global levels. Coordination of several external organizations and integrating them into internal processes and systems of an organization is bound to bring antecedence challenges.

Partners in power generation, KENGEN, GDC and IPPS require to be coordinated on Kenya Power projected power requirement. Respondents indicated that absence of such coordination shall result to buying thermal power from IPPs which is relatively expensive compared to hydro or geothermal power. Such coordination was said to occur through joint strategic planning and holding regular meetings between key departments of the strategic partners.

Coordination between KETRACO and Kenya Power for power transmission was described by the respondents to be a technical one. The respondents indicated that the efficiency of transmission is determined by the power loss ratio during transmission. The amount of power loss is a determined by quality of transmission lines, servicing of transmission lines, continuity or absence of breakages of transmission lines. Kenya Power bears the loss on transmission since it has already procured power that is metered at the source from power generators. Coordination between Kenya Power and KETRACO is therefore required to determine the quality of transmission lines and sharing information of transmission lines maintenance.

Power distribution or retailing coordination was said to involve metering and independent contractors. Interviewees indicated that Kenya Power needs to have joint working with meter suppliers especially at this time when there is a change over from analogue meters to digital ones. Respondents indicated situations whereby applicants of prepaid meters which are mandatory for electronic payments are forced to await meter fixation because of logistical issues due to long procurement procedures. On the other hand independent contractors complain of being issued with local purchasing orders (LPO) to distribute power only to find that the electric poles and other materials have not been availed by Kenya Power. Such clear absence of coordination makes implementation of strategic alliances difficult.

Revenue collection coordination is required between Kenya Power, Safaricom and commercial banks. The MPESA platform allows customers to make payment after specifying the appropriate account details. At times MPESA system or Kenya Power systems are down, making it difficult for coordinated and synchronized working. Prepay customers make payment through MPESA only to receive power the following day because Kenya Power systems are down. Other times they can't make payments because MPESA systems are down. Similar problems were reported for post pay or okoa stima customers who buy power on credit. At banking halls coordination was required to ensure that appropriate Kenya Power vouchers are available to bank tellers.

ICT coordination was described by the respondents as being very critical. Kenya Power systems are networked hence a seamless function of IT and Telecommunication function is a prerequisite. Critical systems that can affect customer service and revenue collection must be available 99.9%. Absence of internet connectivity leads to network and communication breakdown which affect all the operations of Kenya Power. Redundancy of critical systems and connectivity were cited to be the key strategy to availability of ICT services. The respondents also described the coordination to include scheduled maintenance, timely upgrading, training and quick responses in offering technical solutions.

Finance coordination ensures timely availability of capital and cash flow. Finance alliance partners of World Bank, IFC, JKA and Chinese Fund need to understand project implementation time frames to avoid stalling of projects midstream. Respondents cited rural electrification and school electrification programs that were delayed due to absence of effective coordination between Kenya Power and financial partners. Joint planning and monitoring between Kenya Power and financial partners is required to avoid project delays.

Coordination is required between Human Resource department and consultant firms, trade unions, medical hospitals and insurance companies. Regular meetings between HR department and the strategic alliance institutions was seen to enable successful implementation of medical schemes, collective bargaining agreements and asset insurances. Kenya Power was said could negotiate for better terms due to its huge workforce.

4.4.2 Alliance Structure

The strategic alliance structures include; joint ventures, equity bilateral and unilateral contracts. The respondents indicated that the purpose of a structure was to enable a partner gain control and therefore influence on the operations of the alliance. Equity structures where one organization has controlling shareholding enables the organization to control the activities in the strategic alliance to its advantage. The respondents were of the view that the Kenya Power alliance structures are largely bilateral or unilateral contracts owing the Act of parliament that parented it.

Bilateral contracts were noted to be long-term and technological oriented. Power generation strategic alliances with KENGEN, GDC and IPPs are bilateral and backed by the Energy Act of 2006. The respondents revealed that power generators are by the Act required to sell power to Kenya Power as a monopoly. Transmission strategic alliance with KETRACO is also bilateral contract. The two organizations are as per the Act entangled in a bilateral contract. Respondents indicated that revenue collection between Kenya Power Commercial Banks and Safaricom are non-bilateral contracts that are not sanctioned by the Energy Act. They are long term contracts legally entered between the organizations.

Unilateral contracts were described to be short term but renewable on mutual agreements. The contracts were noted to be in the areas of power distribution and retail, human resources, marketing, insurance and medical. It was noted that Kenya Power control in unilateral contracts is based on its power for renew or fail to renew the contract.

Bilateral contracts especially the technical ones presents a challenge once implemented because Kenya Power is "locked" into the technology of the other partner. The challenge according to the respondents is that Kenya Power is entangled to the technology of the strategic partner. It needs to consistently upgrade its operations to meet the technological changes of the strategic partner. The respondents indicated that there is a high switching cost that is associated changing bilateral contracts especially the technological ones, hence the strategic alliances stay for a lengthy period of time.

4.4.3 Management Control and Commitment

This is the control which occurs when the managers involved in the strategic alliance have controlling power that enables them to discretionary influence decisions to their advantage. It's associated with challenges of mistrust, low commitment, conflicts, and self interest in the alliances. It was observed that the challenges of management control and commitment varied between the various Kenya Power strategic alliances.

Respondents indicated that strategic alliances on power generation or transmission between Kenya Power and KENGEN, GDC and IPP and KETRACO were noted to have low conflicts, self-interest and commitment. However they were described to have a high level of mistrust. The mistrust arises from the perception of management in the organizations about their superiority. KENGEN was noted to under look Kenya Power since without electricity, which is generated by KENGEN, it may not have product to sell. Respondents recommended the contribution of ERC in pacifying the mistrust because it has regulatory control powers.

Distribution and retail strategic alliances were reported to have low mistrust and conflict. The alliances were however noted to have a high level of commitment and self-interest. Respondents reported case of unprofessional conduct by management who propagate self interest in the contracts of independent contractors. The awarding of contract tenders for distribution was described to be “tainted”. The high commitment means that partners to the strategic alliance are willing to commit more of their resources. Interviewees indicated that independent contractors are willing to commit more of their resource because Kenya Power honours its part of the contract by promptly paying for contracts and consistently maintaining performing contractors.

Little conflict, mistrust, self-interest and commitment were reported on strategic alliances in Human Resource Management, Revenue collection and marketing. The respondents described these contracts to be standard in the market with low price variations. Information about them is readily available and at times public hence easy to make comparisons.

4.4.4 Organizational Culture Clash

Organizational culture challenge was reported to occur because of the nature of Kenya Power work culture. Kenya Power work culture demands high accuracy, response, speed, agility, creativity and customer consciousness. The work is also highly automated demanding high skills. Respondents indicated that strategic alliances of power generation and transmission have little work culture clash because they have almost similar mode of operation. Distribution and retail strategic alliance have high culture clash challenge because the independent contractors are at times unable to cope with Kenya Power work culture and demands. Other strategic alliances in Human Resource and Marketing were discussed to pose little culture clash challenge.

Organizational structure of Kenya Power is flexible to allow quick responses and timely decision making. Regional heads are mandated to make situational decisions in their regions of responsibilities. Strategic partners with bureaucratic culture find it hard to cope with quick responses demanded by Kenya Power. Customer culture of Kenya Power is embedded in all its activities. Strategic partners with low customer orientation find it difficult to cope with Kenya Power depends on product's specifications, timely deliveries and quality.

4.4.5 Human Resource Skills

Challenges of human resources skills were noted to be minimal. Strategic partners in power sector KENGEN and KETRACO were described to be highly skilled. Respondents indicated that most of them were part of the wider Kenya Power before restructuring of energy sector. Distribution strategic alliance was described to have human resources skills challenge. The independent constructors at times engage unqualified staff in executing the contracts. This result to low quality work and accidents which impact negatively to Kenya Power.

Non-technical strategic alliances on medical, legal and other outsourced services were noted to have human resource skill challenges. Medical cases were noted to be problematic in that Kenya Power doesn't have adequate in-house medical team or clear mechanism to fully vet charges levied by inpatient health providers apart from outpatient where consultation fees are standardized. Legal alliances was also put in the same category of highly technical professionalism. Kenya Power legal department resulted to external alliance owing to various litigations associated with Kenya Power operations. The challenge to maintain a stable legal team was due to heavy competition in the market.

4.5 Strategic Alliance Implementation Challenges and Strategies

The respondents indicated that the challenges experienced in implementation of strategic alliance at Kenya Power have an impact on strategies that were being implemented by the organization. The respondents were in agreement that since strategic alliances are formed to help Kenya Power implement the strategies, the challenges of implementing strategic alliances should affect the speed or efficacy in which the organizational strategies are being implemented.

Kenya Power strategies were found to focus on successful implementation of the strategic plan 2013-2017. The strategic plan aim at achieving the following objectives in the strategies:- plan; ensuring reliable power supply, connection one million customers per year up to 2022, improvement in revenue collection, reduction in power loss during power transmission by 30% reduction in power cost, customer care improvement and development of human resource capital.

Reliable power supply would require Kenya Power to have a consistent supply of power from the power generating companies of KENGEN, GDC and IPP'S. It was found out that there was coordination lapse between Kenya Power and the power producers. Kenya Power power projections were found not to be synchronized with productions of KENGEN, GDC and IPPS. Such lapse of coordination resulted to power supply shortage leading to power outage. Respondents indicated that Kenya Power was at times forced to request an addition of power to the national grid from IPPs to avoid power outage occasioned by less power generation from KENGEN and GDC whose hydro and Geothermal Power is cheaper compared to thermal power obtained from IPPS.

Reduction in power loss during transmission by 30% objective is affected by the strategic alliance implementation challenge of coordination and alliance structure. Kenya Power alliance structure with KETRACO is bilateral contract. Kenya Power doesn't sit in the board of KETRACO to enable it participate, anticipate and influence KETRACO decisions on quality of transmission lines to be procured and their maintenance. Respondents decried the absence of joint board coordination between the two strategic partners. Low commitment was also cited by the employees as a contributor towards KETRACO or Kenya Power failure to provide more resource on joint research programs aimed at reducing transmission cost.

Power cost reduction strategy is a broad objective that involves cost management in power generation, transmission and distribution. Respondents gave the view that Kenya Power would reduce power cost greatly if it purchased geothermal power, if adequate, as opposed to other sources of power. Kenya Power should therefore coordinate with KENGEN and GDC partnership who are the main geothermal power producers to indicate its high preference for geothermal power. Efficient management of transmission cost was reported to contribute to reduction of power cost. Kenya Power and KETRACO failure to hold joint planning leads to escalation of transmission cost and hence an increase in power cost.

Connection of one million customers per year strategy is reported to be affected by the challenge associated with power distribution and retailing. Funds availability challenge especially on rural electrification program was described to impact on this strategy. Poor coordination with development partners was noted to create funds shortage leading to a failure of completing the projects as per their schedule. Self-interest on projects undertaken by independent contractors was noted to cause delay. Preferred independent contractors were described to be slow because of the feeling of being "protected" Independent contractors were also noted to have more repeat works after compliance or inspection by the quality team. Some respondents were of the view that the function should be taken back by Kenya Power instead of having it being managed by independent contractors.

Revenue collection improvement strategy was reported to be affected by the strategic alliance implementation challenges in ICT Systems. Respondents pointed out that the network failure and downtime of ICT systems to impact on revenue collection. ICT systems failure affects billing system with power consumers receiving their bills late. Delayed meter reading which is at times inaccurate was also cited to affect revenue collection. Electronic cash collection through Mpesa, Okoa Stima and electricity token were described to be innovative methods that would boost revenue collection. The challenge of technical integration between Kenya Power and strategic partner Safaricom will impact positively on revenue collection strategy.

Customer care strategy is affected by all the challenges of strategic alliance implementation. Interviewees indicated that customer orientation is embedded in all the systems of Kenya Power. Power generation challenges of inadequate supply lead to power outage thereby inconveniencing the customers. The high cost of power arising from the transmission cost and use of thermal power instead of geothermal increases price on per unit of electricity to the customers. Meter reading on analogue meters, inconvenience the customer who pays electricity bills on estimated consumption. The customers who largely make payment after receiving the bills were inconvenienced when they receive the bills late due to systems failure in ICT. Respondents indicated that customers will be highly convenienced if electronic system of payment and effective customer care offered at the point of pay in the banking halls of Kenya Power.

Human capital development strategy was described to be affected by challenges or effectiveness of strategic alliances between Kenya Power and medical service providers, insurance companies and consultants. Poor coordination between HR department at Kenya Power and medical facility provider or insurance medical administrators was described to affect employees' emotional capital when they are denied health services at health facilities. The employees were said to be affected by lack of elaborate training and development program due to challenges in strategic alliances of Kenya Power, consultants and draining institutions.

4.6 Chapter Summary

The chapter is on the findings of the research. It answers the research question by analyzing the data that has been collected through the use of the interview guide. The analysis is based on the identified challenges of strategic alliances implementation and their contextual implications to strategy implementation at Kenya Power. The challenges were found to have varied impact to strategic alliance implementation. The study revealed that the human resources skill had a small or moderate influence to strategic alliance implementation.

The strategies of Kenya Power have been identified and their implantation linked to the challenges of strategic alliances implementation. The strategies have been identified to include: ensuring reliable power supply, connection one million customers per year up to 2022, improvement in revenue collection, reduction in power loss during power transmission by 30% reduction in power cost, customer care improvement and development of human resource capital.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes and discusses the findings in relation to the statement of the problem and objectives of the study. It also highlights the implication of the study to the policy, theory and practice before giving recommendations, limitations of the study and suggestion for further reading.

5.2 Summary

Strategic alliances are one of the external organizational modes which an organization can adopt. Other types of external organizational modes are mergers, acquisitions and take over. Strategic alliances are more popular compared to other external organizational modes because, the alliances allows the organizations to retain their identity or part of their identity through various alliances structures. On the other hand strategic alliances implementation poses more challenges compared to other external organization modes because strategic alliance partners propagate their interest alongside those of the other partners.

Kenya Power has adopted strategic alliances as one of the strategies towards achievement of the Organizational Objectives and Vision 2030. The alliances span across the spheres of Finance, Operations, ICT, Networks Human Capital Management and Commercial Services. Implementation of the Strategic alliances in Kenya Power implies that the alliances have been integrated into the systems of the organization and synchronizing the activities of the strategic partners through Information Sharing, Enterprise Resource Planning (ERP) and Joint planning with the objective of developing the required synergy to the alliance partners.

Implementation of strategic alliances is faced with myriads of challenges. The study has revealed key challenges in the implementation of strategic alliances to include; lack of effective coordination between the partners, managerial control of the alliances, alliances structures, trust and human resources management. The challenges of strategic alliances were noted to be differently applicable to the various categories of strategic alliances at Kenya Power. The various categories of strategic alliances at Kenya Power were identified by the study to be in the categories of; power generation, power transmission, distribution and connectivity, revenue collection, customer care, finance and the Human Resources Management and Administration.

Power generation transmission and distribution are alliances which have arose out of restructuring of the energy sector and the Act of Parliament 2006. Under the Act the restructuring streamlined power generation to be managed by KENGEN, GDC and IPP's; transmission to be under KETRACO and distribution to be managed by Kenya Power. Kenya Power strategic alliance with these organizations is therefore statutory. Other alliances in categories of distribution and connection, revenue collection, customer care and HR are non-statutory and are largely nonstructural in nature. Most of the Kenya Power strategic alliances structures are either bilateral contracts or unilateral contracts. As a statutory corporation, Kenya Power is incapacitated to enter in equity ownership structure. The bilateral contracts were found to be technical oriented in the spheres of revenue collection, ICT Networks and capital maintenance. Unilateral contracts at Kenya Power were found to be short term in nature covering period of less than one year and are non-technical.

The study revealed the challenges of implementation of strategic alliances to include: coordination of the strategic partners; alliances structures, management control and commitment, organizational culture clash and human resources skills. The study has linked the challenges of strategic alliance implementation to the strategies being implemented by Kenya Power.

5.3 Conclusion

It's evident from the study that Kenya Power is involved in strategic alliances as an enabler for strategies implementation. Strategic alliance enables strategies implementation by providing the required resources, skills, technology and knowledge to the strategic partners. Strategic alliances also offer solutions to strategic problems or hiccups which may deter in their implementation.

In deciding the strategic alliance implementation, Kenya Power considers a number of factors. Key among them includes; the strategy itself, the alliance structure to be adopted, management control, compliance to the Statutory Act forming Kenya Power, Compliance to Energy Regulation Commission (ERC), technological requirements and human resource capital. The factors are critical to the success of strategic alliances implementation.

Industry practice for firms in the energy sector is to form alliances. The alliance is formed because energy or power business is a process. It's economically unviable for an organization to undertake the whole process of generation, processing and distribution. Realization of this process matrix lead to the restructuring of the energy sector in Kenya through the energy Act of 2006. Separation of the three processes have enabled to the respective organization to be more focused in their particular area and to build synergy through formation of strategic alliances.

Customer care is a core function to the Kenya Power because the organization's business is on the lower end of the power or energy process. Providing solutions to the customer's problems and ensuring convenience in service delivery is part of Kenya Power business strategy. Carrying out this function shall require strategic alliance because customer care is a wide function with several inter-related activities. The activities include PR, marketing, promotion, advertisements, point of sale convenience, after sales service and reassurance. Consultants are largely engaged in the customer care.

Finally, implementation of strategic alliances or the strategies is largely dependent upon the human capital posed by the organization. Human capital is the skills, competences, ability, culture, perception and attitude possessed by the employees in the organization. It's referred to as capital because without it, other forms of capital would not add value to the organization and implementation of the strategy would be difficult. Human capital is also inimitable and hence gives competitive advantage to the organization. In strategic alliance implementation, human capital plays a critical roles in coordinating the activities of different organizations, integrating them into organizations systems to produce operational synergy. The perception and attitude of the employees towards the strategic alliance shall greatly influence its success in implementation.

5.4 Implication on Policy, Theory and Practice

The energy sector is critical to the achievement of Vision 2030 by the government. Vision 2030 espouses the objectives of country's industrialization, enhancement of the living standards of the citizens, transforming agriculture to agribusiness and development of infrastructure. The energy sector is expected to give the required impetus and to accelerate attainment of the vision. Access of power by the industries, homesteads, schools and institutions shall serve to achieve vision 2030. Kenya Power performance through successful implementation of strategies shall serve to help the government achieve the vision.

The study therefore has policy implications to the government. Energy policies developed by the government focus on performance of Kenya Power in implementation of its strategies that are intertwined to vision 2030. Performance of Kenya Power as the study indicates is highly influenced by the performance of strategic alliances between Kenya Power and its strategic partners. Failure to successfully implement the strategic alliance shall lead to underperformance of Kenya Power and failure to achieve the vision.

Internal polices developed by Kenya Power shall focus more on implementation of strategic alliance. The policies shall provide broad framework to guide on the management of strategic alliances. A monitoring and evaluation mechanism policy needs to be put in place to ensure coordination and efficacy of strategic alliances with Kenya Power. Closure of non-performing strategic alliances or strengthening them to the advantage of Kenya Power should be undertaken as a matter of Kenya Power policy.

The study has direct implication and relationship to the theoretical framework. The Resources Dependence Theory (RDT) Resource Based Theory (RBT) and system approach were used as theoretical framework of the study. The study is clearly in line with RDT which works on the principle that organizations are not self-sufficient and have to rely on external environment for resources. Strategic partners provide the resource which is outside the organization. RBT operates on the principle of efficiency in utilization of the resources within the organization. The study brings out effectiveness in Kenya Power performance in implementation of strategy and having a reliable human capital within the organization. Kenya Power is viewed as an open system which receives resource for external environment or strategic partners and emits its products after process to the external environment or customer.

In practice, the study brings out salient features that are contextual to Kenya Power. The statutory framework that forms Kenya Power is influential to the strategic alliances it engages in especially on the alliance structure. The Statutory Act is a detriment to Kenya Power entering into equity alliance structure. It only engages in bilateral and unilateral alliance structures. The challenges of implementation of strategic alliance in this study though contextual would apply to similar organizations in the energy sector because firms in similar industry are affected by similar environmental factors. The challenges with modification would also apply to other organizations.

5.5 Recommendations

Restructuring of the energy sector into Strategic Business Units (SBU) of power generation, transmission and commercial retailing places Kenya Power operations to be in direct contact with customers. The estimated customers who are over two million puts Kenya Power on the corridor of opportunity. Kenya Power should explore on all the possibilities of providing a one stop shop to its customers. Kenya Power banking halls should in addition to acting as revenue collection centres provide commercial banking services to its customers. The banking halls which are at times underutilized especially during low peak or midmonth would offer excellent venues of establishing commercial banks.

Strategic alliances offer an important opportunity for knowledge and technology transfer. Kenya Power should learn the technology used by the strategic alliance partners and then plan on a long term basis of how to set up similar facilities and be self-sufficient. Kenya Power is a technology based organization that applies electronics. By producing own mobile phone and electronic way of money transfer, Kenya Power would stop the alliance with Safaricom. The organization would save revenue loss on contractual obligations with Safaricom.

Kenya Power employees should be trained on customer service on continuous basis. Enhancement of customer service through continuous power supply or convenience at the point of pay shall make the customers to develop confidence and loyalty to the organization. Customer help desk or customer contact center should be maintained by the organization to offer solutions to the queries raised by the customers promptly.

5.6 Limitations of the Study

The study focused on challenges of implementing strategic alliances at Kenya Power. Data was collected from members of senior management including the CEO because strategic alliances from part of the organizational strategy. The CEO was however over committed and referred the researcher to the unit heads. The unit heads had the fear of providing information outside the areas of their mandate.

Kenya Power as a statutory body is highly regulated by ERC. Respondents escaped answering some questions by consistently making reference to ERC. This indicates the Kenya Power is entangled by control of ERC and can perform better if it’s liberalized. The Act that forms Kenya Power kills the creativity and innovation which the organization would undertake if it’s liberalized.

Some of the respondents were reluctant to give detailed information about their units of operation. There was fear by manager that other units might learn more about their units, an indication that there are empires within Kenya Power. The empires need to be broken to allow free flow of information, reduce internal rivalry and conflicts which are associated with empire building in the organization. The research as a case study is contextual to the organization. Its applicability is more to the firms in similar industry. Firms in different industry require to modify the study to suit the context in which they operate at.

5.7 Suggestion for Further Reading

A cross sectional survey covering the whole energy sector needs to be undertaken to determine the challenges of implementing strategic alliances in the energy sector. Further research should be undertaken or the limitations posed by the statutory framework that forms Kenya Power. The statutory framework is noted to limit the activities of Kenya Power to power distribution and connectivity despite there being other opportunities to which the organization can diversify to. The study suggests putting up own mobile phone and commercial banks if the Act is modified to allow Kenya Power undertake such ventures.

5.8 Chapter Summary

The chapter summarized the findings, gave conclusions, postulated implications on policy theory and practice before giving recommendations, limitation of the study and suggestions. The findings were that Kenya Power strategic alliance implementations is faced with challenges which the organization has managed to cope with because strategic alliances are critical to strategy implementation. The major challenges were identified to be; alliance structure, management control, compliance to statutory act and the nature of strategy. The Kenya Power alliances would be broadly categorized into statutory and non-statutory strategic alliance. The statutory alliance emanate from the energy act 2006 which separated the energy processes into generation, transmission, distribution and retail. They involve alliances with KENGEN, IPPs, KETRACO,and GDC. The no-statutory alliances are largely in commercialization or retail. They involve activities of resource collection, power distribution, metering and human resources.

The conclusions are that the industrial practice in the energy sector is to have strategic alliances due to separation of the energy process. The challenges of strategic alliances were concluded to impact on strategy implementation because the alliances are formed to enhance implementation of organization strategy. Implication on policy and theory and practice were evident from the study. Theoretically, the study supported the theoretical framework. The theories of RDT, RBT and dynamic capability theory were noted to be applicable in implementation of strategic change. Policy framework was applicable because the energy sector is linked to Vision 2030 which is government policy blue print of economic development. The study recommends that Kenya Power reduce on strategic alliances by creating self-sufficiency through learning technologies of strategic partners. The major limitations of the study is due to the fact that it’s a case study. Suggestion is made to do cross sectional survey of the industry based on the findings of the study.

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APPENDICES

Appendix I: Interview Guide

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

Interview Guide

This interview guide will seek to determine the challenges of implementation of strategic alliances at Kenya Power.

Demographic data

1. What is your designation at Kenya Power : …… …… …… …… ………… ………… … …… …..
2. For how long have you worked at Kenya Power : …… ………… …… ……… ……… …… ……
3. How long have you served in the current position in the company? …… …… ……… …
4. What other positions have you served at Kenya Power? : …… ……… ………… …… ……… ….
5. What is the highest level of education you have attained? : …… …… ……… …… …… …

Strategic alliances at Kenya Power

6. Is your organisation involved in strategic alliance? ………..
   Explain ………… …………… …… …… ……… ………… …………

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7. What are the areas that your organisation is involved in strategic alliances? Strategic alliances? ………….

Explain

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Challenges of implementing strategic alliances

8. Does implementation of strategic alliances face challenges in your organisation? ………

Explain

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9 What are the challenges faced in implementation of strategic alliance in your organisation?

Explain ……………………………………………………………………………….

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Challenges of implementation of strategic alliances and organisational strategy

10. What are some of the organisational strategies in your organisation? ………..

Explain

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11. Does coordination of strategic alliances affect organisational strategy in your organisation?

Explain

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12. Does structures adopted by strategic alliance affect organisational strategy at Kenya Power? …………..

Explain……………………………………………………………………

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13 Does management control and commitment affect organisational strategy at Kenya Power?

Explain

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14 Does opportunistic behaviours affect organisational strategy at Kenya Power? ……..

Explain

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15 Does resources at strategic alliance affect organisational strategy at Kenya Power? …..

Explain

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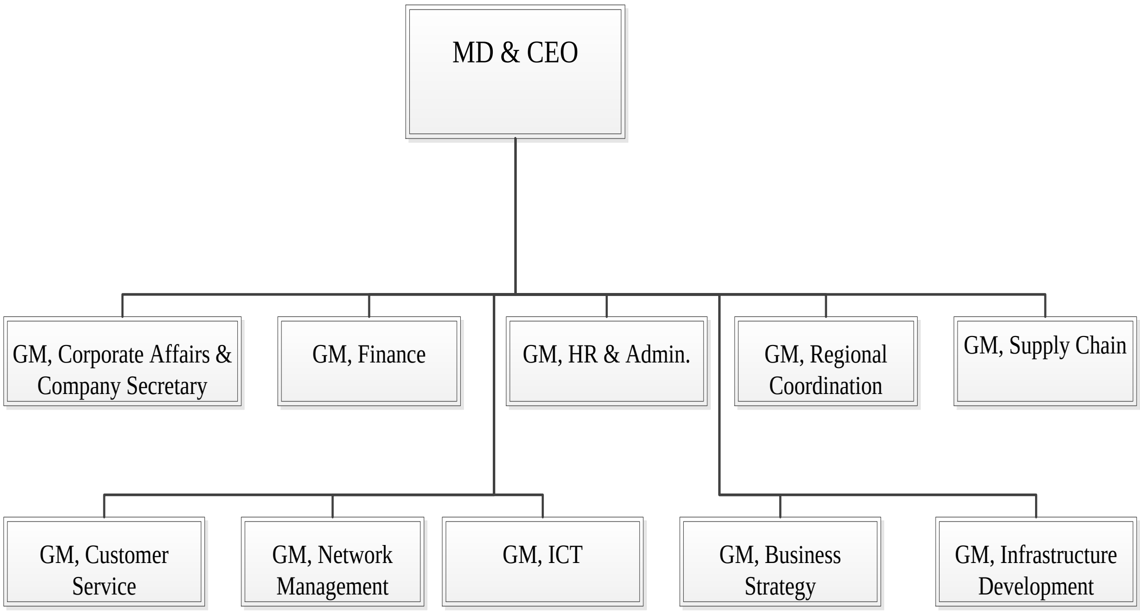
Appendix II: The Structure for top management in Kenya Power



- Managing Director & CEO
    - General Manager, Corporate Affairs & Company Secretary
    - General Manager, Finance
    - General Manager, Human Resources and Administration
    - General Manager, Regional Coordination
    - General Manager, Supply Chain
    - General Manager, Customer Service
    - General Manager, Network Management
    - General Manager, IT & Telecommunications
    - General Manager, Business Strategy
    - General Manager, Infrastructure Development

Source: http://www.Kenya Power.co.ke/content/item/62/Management-Team, 2015

Appendix III: Letter of Introduction to the respondents

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 14/08/2015

TO WHOM IT MAY CONCERN

The bearer of this letter PHARIS MUNDIA WARUI

Registration No. D61/65649/2013

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.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
14 AUG 2015
MBA OFFICE
P.O. Box 30197 - 00100, NAIROBI

for. **PATRICK NYABUTO**
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix IV: Approval letter from Kenya Power to Collect Data

Kenya Power

The Kenya Power & Lighting Co. Ltd.
Central Office - P.O. Box 30099 Nairobi, Kenya.
Telephone - 254-20-3201000 - Telegrams 'ELECTRIC'
Fax No. 254-20-3514485
STIMA PLAZA, KOLOBOT ROAD

Our Ref: KP1/5BA/42D/MM/ng

Your Ref:

17th August 2015

TO WHOM IT MAY CONCERN

RESEARCH APPROVAL – PHARIS MUNDIA WARUI

Reference is made to the subject matter mentioned above.

Kindly allow the above student at University of Nairobi to carry out a research project in the Company on ***"Challenges of Implementation of Strategic Alliances: A Case Study of Kenya Power".***

This authority notwithstanding, discretion must be exercised in the use of company information including business strategies and policy documents.

The Research Project should also not disrupt normal working hours and Company's flow of work.

A soft copy of the final Research Project saved in a Compact Disc should be forwarded to the Human Resource Development Department.

Yours faithfully,
For: **KENYA POWER & LIGHTING CO. LTD.**

MERCY MUCHIRA (MRS.)
FOR: MANAGER, LEARNING & DEVELOPMENT