STRATEGY IMPLEMENTATION BY LAKE BASIN DEVELOPMENT AUTHORITY

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DECLARATION

This management research project is my original work and has not been submitted for a degree in any other university.

Signature ___________________________ Date ________________


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

Signature______________________________ Date ________________

Alex Jaleha
DEDICATION

This project is dedicated to God who given me the knowledge and the will to see me through this course and my dad John Willys Kisaka and my late mum Agnes Namalwa.
ACKNOWLEDGEMENT

I would like to acknowledge my dear wife Kate and son Derrick who gives me a reason to wake up every day, they encouraged me on when things looked impossible. They also understood when I was too busy with the study. They were there for me during bad and good times.

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ABSTRACT

The dynamism and unpredictability of the environment has necessitated the adoption of strategy formulation and implementation in their organizations. Aosa (1992) states that in this dynamic environment organizations have to constantly adapt to their activities and internal configurations to reflect the new realities failure to do this may put the future of the firm in jeopardy. In the strategic process the organization looks at the strengths, weakness that it has and explores the opportunities and threats that exist in the environment. The organization seeks to achieve competitive advantage.

This was a case study of strategy implementation at Lake Basin development. Lake Basin Development authority is a parastatal under the ministry of regional development. It covers the area which drains in to Lake Victoria. This area covers the Western province, Nyanza province and parts of the rift valley province. It is one of the seven development authorities that exist in Kenya.

Lake Basin Development Authority has a strategic plan in place that covers the period 2008 to 2012. The strategic plan was developed by the help of a consultant. It clearly states the mission and the vision of the Authority. They are further broken down in to specific departmental goals and objectives. This strategy was implemented by first changing the organization structure in to the new developed one. The personnel were then filled in to the positions created. The procedures, policies and rules were revised to adapt to the new strategy being implemented. All departments were required to revise their procedures. The Managing Director was entrusted with taking the leadership role in the implementation of the strategic plan. The line managers were also entrusted with taking leadership for the specific departments. Feedback measures were put in place to monitor the implementation of the strategic plan.
CHAPTER ONE: INTRODUCTION

1.1: Background of the study

In the past few decades many organizations have adopted strategic management. This has been necessitated by the competitiveness and dynamism of environment they operate in. The environment is complex and changing, and it will continue to change rapidly, radically and unpredictably (Burnes 1996). Strategy offers a tool to deal with this. Strategy is the action a company takes to achieve one or more of its goals (Hill and Jones 2001). Strategy formulation, implementation and control are done by organization to sustain competitive advantage and also enhance the prosperity of the organization. For most organizations the overall goal is to achieve superior performance (Kiprotich 2008). Therefore all organizations have to take strategy seriously.

If the guidance system on an airplane is not programmed to reach its destination, then it cannot keep the plane on course in rough or stormy weather. Therefore in this dynamic environment organizations have to constantly adapt to their activities and internal configurations to reflect the new realities failure to do this may put the future of the firm in jeopardy (Aosa 1992). This study will explore the strategy implementation at Lake Basin development Authority.

1.1.1: Concept of strategy

Johnson and Scholes (2002) define strategy as the direction and scope of an organization, through its configuration of the resources within a challenging environment to meet the needs of the markets and to fulfill stakeholders’ expectations. Mintzberg (1991) defines strategy as a plan, a ploy, pattern, position and perspective that are made in advance of the action to which it will apply to. Glueck et al (1988) defines strategy as a unified, comprehensive and integrated plan that relates to the strategic advances of the firm to the challenges of the environment.
All the definitions point to the process of strategic management as being the analysis, decisions and actions an organization takes in order to create and sustain competitive advantage. Strategic management is the art and science of formulating, implementing and evaluating cross functional decisions that enable an organization to achieve its goals (Johnson and Scholes 2002). Therefore it is clear that strategic management is a continuous process of developing and revising future oriented strategies that allow the firm to achieve its objectives considering capabilities (strengths), constraints (weaknesses) and the environment it operates in. Pearce and Robinson (1997) assert that implementing a strategy is the institutionalization of the strategy so that it permeates daily decisions and actions in a manner consistent with long term strategic success of the organization.

Strategic management is important because it creates plans attuned to assumptions about the future and focuses on using the plans as a blueprint for daily activity (Ogolla 2007). Strategic management consists of the analysis, decisions and actions an organization undertakes in order to create and sustain competitive advantage. Formulation produces a clean set of recommendations with supporting justifications, that revise as necessary the mission and objectives of the organization and supply the strategies for accomplishing them (Kiprotich 2008). Formulation is the matching of the strengths and weaknesses to opportunities and risks in the environment. Strategy formulation results in a document called the strategic plan.

Pearce II and Robinson (2002) states that the general philosophy of doing business declared by the firm in the mission must be translated in to a holistic statement of the firm’s strategic orientation before it can be further defined in terms of a specific long term strategy. The long term grand strategy must be based on a core idea on how the firm can best compete in the market place. Pearce II and Robinson (2002) further states that the firm can aim to be a low cost leadership, differentiation strategy or to focus on a certain customer class.
1.1.2: Strategy Implementation

Pearce and Robinson (1997) views strategy as a set of decisions and actions that result in the formulation and implementation of the plans designed to achieve a company’s objectives. Therefore in today’s fast moving, fast changing business world, strategy with its long range perspective is critical. Pearce and Robinson (1997) further defines formulation as the process that guides executives in defining the business their firm is in, the end it seeks and the means it will use to accomplish those ends. He asserts that the implementation phase is called the action phase of the strategic management process. It is at this point that the strategy developed is put into action. Glueck (1988) on the other hand defines strategy as a unified, comprehensive and integrated plan that relates the strategic advances of the firm to the challenges that it encounters in the environment so that it can handle them and come out successfully. Mintzberg (1991) argues that the strategy is made in advance of the action to which they apply to and they are developed consciously. Therefore for the strategy making process to be termed as successful the implementation process has to have been done correctly and challenges handled on time.

Pearce II and Robinson (2002) suggest that for successful implementation, it has to be by first and foremost identification of measurable, mutually determined annual objectives, development of specific functional strategies and communication of concise policies to guide decisions. They observe that strategy must be institutionalized and it must permeate the everyday life of the company to be effectively implemented. This is done through setting annual objectives which translate long-range aspirations into the year’s budget. Thompson and Strickland (1998) argue that successful strategy implementation depends on doing a good job of leading, working with and through others, allocating resources, building and strengthening competitive capabilities, installing strategy supportive policies and matching how the organization performs its core business activities to the requirement of a good execution. Therefore for any organization, strategy provides an overall trip plan which management can true up in case of difficulties.

Thompson et al (2007) states that the management action agenda for implementing and executing the chosen strategy emerges from assessing what the company will have to do
differently, given its particular operating practices and organizational circumstances, to execute the strategy competently and achieve the targeted financial strategic performance. He further states that a good strategy execution requires diligent pursuit of operating excellence. He affirms that it is a job of a company’s whole management team, and therefore success hinges on the skills and cooperation of the operating managers who can push needed change in their organization units and consistently deliver good results.

Thompson Jr (1989) states that the strategy implementation has to be custom tailored to each organization’s overall conditions and setting, to the nature of the strategy and amount of strategic change involved and to the manager’s own skills, styles and ways of getting things done. Therefore the responses of the organization will depend on these issues. These are very important elements that for any to successfully implement its strategy it has to take it in to consideration. Annual objectives are developed usually to provide clarity and become powerful motivating factors of effective strategy implementation. Functional strategies translate grand strategies at the business level into action plans for subunits of the company. Operating managers usually assist in developing the functional strategies. These strategies must be in line with the grand strategies. Policies are specific guidelines for operating managers and the subordinates.

According to Pearce II and Robinson (2002) organizational structure is a major priority in implementing a carefully formulated strategy. If the activities, responsibilities and the interrelationships are not organized in a manner that is consistent with the strategy chosen then the structure is left to evolve on its own. Organizational culture also plays a very important role in successful implementation of the strategy. Thompson et al (2007) also details certain managerial components of strategy execution. The components are building organizational competencies, capabilities and resources, strength to execute strategy, instituting policies and procedures that facilitate the strategy execution and changing the culture of the organization to one that promotes good strategy execution.

Ansoff and Mcdonnell (1990) argue that it is through the strategic management process that the firm will be able to position and relate itself to the environment to ensure that it continues to succeed and also cushion against surprises from the environment. Ansoff
and Mcdonnell (1990) also argues that the firm can be able to cushion itself from the changing environment by first and foremost positioning itself through strategy and capability planning in its rightful competitiveness, it can also use real time response through issue management and third through systematic management of resistance during strategic management.

1.1.3: Lake Basin Development Authority

The regional Development Authorities fall under the ministry of regional development authority. There are seven regional development authorities. These are; Kerio Valley Development Authority, Coast Development Authority, Ewaso Ng’iro North Development Authority, Tana and Athi river development authority, Ewaso Ngiro South Development Authority and Lake Basin Development authority. The ministry of regional development authorities policy (2009), states that the regional development authorities were formed with the primary aim of dealing with the persistent problem of unbalanced economic development in Kenya.

The Lake Basin Development Authority Strategic plan (2008-2012) details that Lake Basin Development Authority is one of the seven Regional Development Authorities in the country. It was established in 1979 by an Act of Parliament, Chapter 442. Its area of jurisdiction covers the entire catchment’s areas of the major rivers, which drain into Lake Victoria. This area measures 39,000 square kilometers and covers the whole of Nyanza and Western Provinces and parts of Rift Valley Province (Appendix 5). The area of coverage has total of 27 districts. The strategic plan goes on to state that the population of the area is approximately 12 million people and is expected to increase to approximately 15 million by the year 2010.

The Authority has divided the area of coverage in to seven regions. The regions are: Lakeshore, Kuja-Migori,Yala-Nyando, Upper Nzoia, Lower Nzoia, Tende Kiboun and Sondu Miriu. The Strategic plan (2008) also states that the Authority is mandated to undertake overall planning, co-ordination, implementation and monitoring and evaluation.
of development projects and programmes in its area of jurisdiction. It accomplishes this mandate by mobilizing the resources in the region and assets at its disposal for equitable development in the region.

The structure of the authority as outlined in the strategic plan has a board of directors on top with a managing director in charge of the day-to-day running of the authority. Below the Managing Director there are four chief managers (Chief Manager engineering and technical services, Chief Manager Finance, Human Resource and Administration, Chief Manager Business Support Services and Chief Manager Agriculture). Below each chief manager there are managers in charge of each department.

The Authority strategic plan for the period 2008 to 2012 states the vision of the authority as being “To be the leading Regional Development Authority in Africa fostering sustainable economic development of the Lake Basin Region for the prosperity and economic empowerment of the communities” The mission of the authority is stated as “To catalyze the economic development of the Lake Basin Region in Kenya through promotion and implementation of resource-based investments and effective river basin-based integrated community development initiatives”

The primary role of the Authority is stated as being a strategic driver of regional economic development in the region. The Authority has five main objectives in the strategic plan. The objective are to formulate and implement integrate basin based development programmes, enhance community support empowerment, protect river banks: water bodies and catchment’s areas, to develop regional development planning and lastly to develop institutional capacity building. The Authority sets out to achieve these objectives by introducing integrated farming, starting up new projects and coming up with new technology that will ensure better returns to the local communities.

1.2: Statement of the Problem.

Lake Basin development authority is one of the regional development authorities in Kenya. The regional development policy (2007) was development in an effort to improve the regional authorities delivery their mandate and achieving of the goals and
objectives. Generally there have been several changes in the government sector. There have been four policy imperatives that required all State Corporations and Regional Development Authorities in particular, to realign their strategic focus and operations. The Regional Development policy revised the functions of Regional development authorities, while Vision 2030 which specifically aims at making Kenya a middle income country with quality life by 2030. The vision is based on the three pillars of political, social and economic. Therefore Lake basin Development Authority which is a parastatal which a main function of promoting economic empowerment is one of the bodies of the government that are required to pursue the achievement of this vision. Therefore it had to realign their Strategic Plans to the Goals and objectives of the policy.

The medium term financial budgeting cycle required regional development authorities to change their planning cycles to be consistent with the Government budgeting cycles. Finally the strategic plan (2008-2012) states that, the adoption of the performance contract system for all Government agencies required all operations to have measurable indicators against which the performance of organizations would be assessed.

The adoption of several performance enhancing tools by the government, namely rapid results initiative and customer service charters meant that the parastatals had to change and improve their performance. Following the above changes the Authority developed a new strategic plan covering the period 2008 to 2012. The strategic plan (2008) was developed to ensure that the organization remains relevant in the rapidly changing environment. These changes were meant to make all parastatals work towards being self sustainable.

firms in Kenya to the challenges of increased competition. Isaboke (2001) carried out a study on the strategic responses by major oil companies in Kenya to the threat of new entrants. Koech (2002) looked at the planning strategies among major petroleum marketers in Kenya. Machuki (2005) did a study on the challenges to strategy implementation at CMC motor group. Ongaga (2006) carried out a study on the responses of Kenya national oil company to the challenges of external environment. These studies have been done to document how various organizations have gone about handling different challenges. So far nothing seems to have been done on responses of Lake Basin development Authority on the challenges of strategy implementation.

Therefore this study seeks to examine and document how the Authority has been able to respond to the challenges of implementing strategies in this challenging environment and at the same time managing the vast region that it covers.

1.3: Research Objectives

The research seeks to establish the following objectives.
To determine how Lake Basin development Authority has implemented its strategy.
To establish the challenges of strategy implementation at Lake Basin Development Authority.

1.4: Importance of the Study

The results of this study are useful to the management of Lake Basin Development Authority who can use the results as a source of information in knowing whether the implementation of the strategic plan is on course and may also be used by future managers to handle similar situations. It will also be useful to managers in the sector who may use these results as they implement their corporate strategic plans.
The documented information will also be very important to other managers who are involved in strategy formulation and implementation in other organizations. They can use the finding of this research in dealing with the challenges of strategy implementation.
beforehand. The government and other donors to regional development authorities can use the information documented to know the challenges that the authorities undergo while they are implementing strategic plan and therefore incorporate the measures to deal with the challenges upfront in the policy making.

The results of this study will be important to the general public as it will assist the public to understand the challenges that the Authority goes through and how it has been able to handle them. This information will assist them understand what services the Authority offers and the challenges they face in their normal course of offering the services. The researchers will also benefit from the results of this research as they will be able to add to the existing body of knowledge in strategic management.
CHAPTER TWO: LITERATURE REVIEW

2.0: Introduction

Strategy is coiled from the word “strategos” which means generalship, which is the actual
direction of military force. It also means the art of a general. Military diplomatic
strategies have existed since prehistoric times. Armies employed strategies in fighting
with the enemies from time immemorial. For about twenty years now strategic
management has become more important in Kenya (Aosa 1992). But globally the process
of formal strategic management dates back to its roots in the United States of America in
the late 1950s. Writers like Chandler (1962), Ansoff (1965) and Drucker (1974) provide
some of the earliest writings. Kungu (2007) states that organizations operating in a
highly competitive market must be able to develop and operationalize strategy and
incorporating product differentiation or other alternatives of generic competition
strategies to gain competitive advantage in the market place.

2.1: Concept Of Strategy

Mintzberg (1991) defines a strategy is a plan, a ploy, pattern, position and perspective. A
strategy is made in advance of the action to which they apply and they are developed
consciously. It is a ploy which may be intended to outwit an opponent or competitor. A
strategy is a pattern because it is consistency in behavior, whether or not intended.
Mintzberg also argues that a strategy can be deliberate or emergent. A deliberate strategy
is one which comes up as a result of the deliberate management effort. On the other hand
an emergent strategy is one which comes as a reaction to the situation existing in the
environment.

Glueck et al (1988) define strategy as a unified, comprehensive and integrated plan that
relates the strategic advances of the firm to the challenges of the environment. It is
designed to ensure that the basic objectives of the enterprise are achieved through proper
execution by the organization. A strategy is a means used by the organization to achieve
the ends. It is a plan that unifies and covers all the major aspects of the enterprise. It also ensures that all parts of the plan are compatible with each other and fit together well.

According to Johnson and Scholes (2002) strategy is the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of the market and fulfill stakeholders’ expectations. This implies that the strategy seeks to deliver the company to where it wants to be in the long term, by looking at which activities it wants to engage in and which markets it seeks to serve and the resources it requires to achieve these goals. It is through the strategy that the organization is able to reach its’ goals and objectives. Therefore in developing a strategy the organization looks at both internal and external environment. It develops a strategy taking in to consideration the resources required, that is the strengths and the weaknesses of the organization in dealing with external challenges.

Pearce II and Robinson (2002) define strategy as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization. He further states that it means the large scale, future oriented plans for interacting with the competitive environment to optimize achievements of the organization objectives. Therefore according to this definition a strategy is a game plan. It reflects a company’s awareness of how to compete, against who, when, where, and for what. It is a long-term plan that looks at the future of the organization. The strategy is designed so that the organization can develop competitive advantage against the other competitors in the industry. Howe (1986) argue that making correct strategic decisions matters for the business and this is more important for the long term survival of the organization for management to be efficient in terms of strategy than in respect of operating activities.

According to Thompson and Strickland (1998) an organization strategy consists of the actions and business approaches management employs to achieve the targeted organizational performance. He says that strategy is market driven and customer driven entrepreneurial activity. It is a venturesome, having business creativity, having an eye of
spotting emerging markets opportunities, keen observation of customer needs and appetite for risk taking. He divides the strategic management process into; forming a vision, setting the objectives crafting a strategy, implementing and executing the strategy plan and evaluating performance. This process does not have boundaries between the tasks. Two or more processes may be done together. The strategy is developed to direct the organization in serving its customers satisfactorily while making reasonable returns for the owners.

Thompson et al (2007) define strategy as the competitive moves and business approaches that managers employ to grow the business, attract and please customers, compete successfully, conduct operations and achieve targeted level of organizational performance. This definition brings out the strategy as being a management’s action plan for running the business and conducting operations. It represents a managerial commitment to pursue a particular set of actions in grouping the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company’s financial and market performance.

The best indicators of a company’s strategy are its actions in the marketplace and the statements of senior managers about the company’s current business approaches, future plans and efforts to strengthen its competitiveness and performance. A company’s strategy is partly proactive and partly reactive. It is proactive to improve the company’s financial performance and secure a competitive edge and reactive as needed reactions to unanticipated developments and fresh market conditions.

Pearce II and Robinson (1991) states that businesses vary in the processes they use to formulate and direct their strategic management activities. He further asserts that sophisticated planners have developed more detailed processes than less formal planners. He further states that despite the differences in detail and the degree of formalization, the basic components of the models used to analyze strategic management operations are similar. Johnson G (2008) states that the strategy the organization actually pursues are typically intended and emergent. Intended strategies are the product of formal strategic planning and decision making. Pearce II and Robinson (1991) states that the process of
strategy formulation starts with the definition of the company’s Vision and mission, then the organization has to carry out a strengths, weaknesses, opportunities and threats analysis. This is done to enable the firm to anticipate and take advantage of factors in the future business conditions. Then the firm should come up with objectives and chose a grand strategy that it plans to employ. The generic strategies are overall cost leadership, differentiation or focus.

Pearce II and Robinson (1991) states that while the need for firms to develop generic strategies remains unresolved debate designers of planning systems agree about the critical role of grand strategies. They are also called master or business strategies. They provide the basic direction for strategic action. He states that they are the basis of coordinated and sustained efforts directed towards achieving long term business objectives. The principal grand strategies according to Pearce II and Robinson are: concentrated growth, Market development, product development, innovation, horizontal integration, vertical integration, joint ventures, concentric diversification, conglomerate, diversifications, retrenchments, divestiture and liquidations.

2.3: Strategy Implementation

Once a strategy has been formulated the emphasis turns to converting it into actions and results. This calls for different sets of managerial tasks and skills. This process is primarily an operation driven activity revolving around the management of the people and business processes. According to Thompson and Strickland (1998) successful strategy implementation depends on doing a good job of leading, working with and through others, allocating resources, building and strengthening competitive capabilities, installing strategy supportive policies and matching how the organization performs its core business activities to the requirement of a good strategy execution. It is one thing to develop clear and meaningful strategy and a different matter and of great importance to implement a strategy effectively (Koontz and Weihrinch).

Thompson et al (2007) affirms that the process of crafting and executing strategies is the top priorities of managers in all organizations. This is because managers have to proactively shape or craft how a company’s business will be conducted. Secondly a
strategy focused enterprise is more likely to be a strong bottom line performer than a company whose management views strategy as secondary and puts its priority elsewhere. Quality managerial strategy making and strategy execution has a highly positive impact on revenue growth, earnings and return on investments. A company that lacks clear cut direction has vague or undemanding performance targets, has a muddled or flawed strategy cannot seem to execute its strategy competently, has problems in financial performance, the business is at long term risk and management is solely lacking.

Lynch (1997) observes that there are two essential causes of variations in implementation programs. These are the degree of uncertainty in predicting changes in environment and the size of the strategic change required. He further says that in response to these issues there are basic implementation programs that can be carried out. Comprehensive implementation program is carried out for fundamental changes in strategic direction. The incremental implementation is characterized by small changes and short time spans within the general direction implied by the strategy.

Selective implementation program may be used where neither the incremental nor the comprehensive programs represent the optimal. Quinn (1980) states that the world is not straight forward, it is complex and uncertain. Therefore it is impossible to analyze everything upfront and predict the future. Thus the search for optimal decisions is futile. This underscore the fact that strategy implementation is a very challenging process.

Thompson et al (2007) details eight managerial components of strategy execution. The components include, building the organization with competencies, capabilities and resources, strength to execute strategy successfully, marshalling sufficient money and people behind the drive for strategy execution, instituting policies and procedures that facilitate rather than impede strategy execution, adopting best practices and pushing for continuous improvement in how value chain activities are performed, installing information and operating systems that enable company personnel to carry out their strategic roles proficiently, tying rewards directly to achievements of strategic and financial targets and to good strategy execution, installing a corporate culture that promotes good strategy execution and exercising strong leadership to drive execution forward, keep improving on the details of execution and achieve operating excellence as
rapidly as feasible. How well the managers perform these tasks will have a decisive impact on whether the outcome is a spectacular success or a colossal failure or in between the two.

In devising an action agenda for implementing and executing a strategy the manager have to start with probing assessment of what the organization must do differently and better to carry out the strategy successfully. According to Pearce and Robinson (2002) implementation involves the process of operationalizing, institutionalization and controlling of the strategy. He further states that this is a very critical stage. This stage involves translating strategic thought into strategic action. Operationalization involves identification of measurable, mutually determined annual objectives. It also involves development of specific functional strategies and communication of concise policies to guide decisions. Institutionalization involves making the strategy permeate the very day-to-day life of the organization. Strategy can be said to be successful if it is correctly implemented and the objectives and goals of the organization are realized.

According to Howe (1986) implementation of the chosen strategy is by any measure one of the most vital phases of decision making process. He further states that the strategic implementation as an activity embraces all of those actions that are necessary to put strategy in practice. Implementation involves; identification of the key tasks to be performed, allocation of those tasks to individuals, providing for coordination of separated tasks, the design and installation of an appropriate management information system, the drawing up of specific program of action including a time schedule down to the level of operating budgets or standard, setting up a system to compare actual performance with those standard and the design of a system of incentives, control and penalties appropriate to the individuals concerned and the task to be performed. These stages can be divided into leadership implementation, organization implementation and functional implementation. Leadership implementation is putting right people in right places. Organization implementation involves the business adopting the right organizational structure for the strategy. Functional implementation involves the allocation of resources so as to allow chosen policies to be implemented and the relating to individual unit or functional policies to those of the organization as a whole.
Hill (2001) defines strategy implementation as designing appropriate organizational structures and control systems to put the organization’s strategy into action. He breaks down the process into designing organizational structure, designing control systems, matching strategy, structure and controls and managing strategic change. Designing the organizational structure involves allocation of roles and responsibilities for different aspects of the strategy to different managers and subunits within the company. The structure maps out the roles and responsibilities along with the reporting relationships. The organization must also establish an appropriate organizational control system. It must decide on how best to assess the performance of the strategy and control the actions of subunits. After all these the company must also achieve a fit among its strategy, structure and controls. Lastly the manager has to manage the change.

Glueck et al (1988) states that strategic implementation is necessary to spell out more precisely how strategic choice will come to be. Structural and administrative mechanisms which are compatible and workable have to be established to reinforce the strategic direction chosen and provide guides to action. A well formulated strategy without effective implementation is likely to fail. Closing the gap between ideal and expected outcomes require more than making strategic choice. The strategy, the structure, the systems, the styles, the staff, the shared values and the skills have to fit together to make the strategy to work more effectively. The implementation stage involves a number of interrelated choices and activities. First the resources of the enterprise must be allocated to reinforce the strategic choice then the organizations’ strategic business units and corporate must reflect the strategy and objectives. The right strategist must be put in charge of the strategic business units and in key leadership positions so as to ensure the strategy will work. The functional strategies and short and medium term range policies must be developed such that they are consistent with the strategic choice. Some system is needed to link strategies with plans for implementation. Failure to do all this will result in the chosen strategy not seeing the light of day.

Strategic control according to Pearce II and Robinson is concerned with tracking a strategy as it is being implemented, detecting problems or changes in its underlying
premises and making necessary adjustments. According to Scholes (2002) after the environmental analysis the firm will chose a strategy in response to the opportunities and threats it is facing. It may choose to be a cost leader through maintaining efficiency, cost reductions and overhead reductions. The firm can choose a differentiation strategy, where it seeks to sell a unique product or service which cannot be copied by the competitors. Porter (2004) states that in a differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by the customers. The other strategy is Focus. Porter (2004) states that the strategy is quite different from the others, as it rest on the choice of a narrow competitive scope within an industry.

Pearce II and Robinson (1991) state that there are for basic types of strategic controls. The premise control is designed to check systematically and continuously whether the premise on which the strategy was based on is still valid. If it is no longer valid then an appropriate response is implemented. Implementation control on the other is explained by Pearce and Robinson (1991) as being designed to assess whether the overall strategy should change in light of the results associated with the incremental actions that implement the strategy. Strategic surveillance is another form of strategic control advocated by Pearce and Robinson (1991). It is designed to monitor a broad range of events inside and outside the firm that are likely to affect the course of its strategy. The other one is the special alert control. This is the thorough and often rapid reconsideration of the firm’s strategy because of a sudden, unexpected event.

Thompson Jr (1989) states that strategy implementation has to be custom tailored to each organization’s overall conditions and settings, to the nature of the strategy and amount of strategic change involved and to the manager’s own skills, style and ways of getting things done. Therefore the responses of organizations to challenges of strategy implementation will also depend on these issues. The responses can be generally categorized in to strategic responses and operational responses. Strategy responses can be either corporate or business.

The strategy responses are classified in to corporate level responses and business level responses. Corporate level responses are done at the corporate level of the organization.
These are decisions that will affect many business units. According to Scholes (2002) at corporate level, managers are working on behalf of shareholders’ or other stakeholders’ to provide services and possibly strategic guidance to business units which themselves seek to generate value by interacting with customers. Newman (1989) states that the corporate strategy focuses on the selection and interrelation of units that will in fact yield the benefits of the union. In addition it identifies the resources that the corporation will supply to its business units to give them a distinctive competitive advantage. It is actually concerned with building an effective collection of business units. Corporate level strategies involve vertical integration, diversification,

A business unit or a strategic business unit is defined by Scholes (2002) as being a part of an organization with a distinct external market for goods or services. Jones(2001) define business level strategies as the plans of action that strategic managers adopt for using a company’s resources and distinct competencies to gain competitive advantage over its rivals in a market or industry. In most organizations there will exist many business units. The decisions implemented at the business level to the challenges of strategy implementation are the called business level responses. The responses at this level are mainly concerned with how to compete effectively in a market. It is at this point that the core issue of concern is how value is realized in a business. Value is realized when a buyer is willing to pay a price for the product which provide profits to the firm

According to Thompson et al (2007) proficient strategy execution depends heavily on competent personnel, better adequate competitive capabilities and effective internal organization. Therefore building a capable organization is a top priority in strategy execution. Staffing involves putting together a strong management team and recruiting and retaining employees with the needed experiences, technical skills and intellectual capacity. Building core competencies and competitive capabilities involve developing proficiencies in performing strategy-critical value chain activities and updating them to match changing market conditions and customer expectations. Structuring the organization and work efforts involve organizing value chain activities and business process and deciding how much decision making authority to push down to lower level managers and frontline employees.
According to Scholes (2002) the organizations have to handle some strategy implementation challenges. Therefore they have to develop an appropriate structure for the strategy being implemented otherwise it may result in failure of the strategy. The structure of the organization assists with the organization. The other challenge that the management has to deal with is the leadership of the strategy. For a strategy to be successful the strategy champion otherwise called the leader has to be at the forefront in advocating for the strategy. The breaking down of the strategy into specific or functional strategies can also be a major challenge.

According to Thompson and Strickland (1998) the other major challenge of implementing a strategy is integrating the different function and operation so as to achieve the set company objectives. This is done by developing goals and objectives which are specific to business units and to operations. In doing this the strategist should be very careful so that these objectives are not in conflict with the company ones. There should be harmony of objectives and goals so as to avoid conflict between different departments.

According to Kimithi (2006) K-Rep bank was faced with several challenges in its strategy implementation. He further states that efforts by the departmental heads and the entire management put in place to manage the challenges were successful. The researcher states that some areas gave more challenges than others. The management embarked on a program to cultivate a positive culture. The management was also at the forefront in leading the strategy implementation process. The management also gave all the support and the resources required in the strategy implementation.

Sheikh (2000) in his study observed that majority of the firms that were studied needed to respond to the changes in the environment to ensure that the strategic process is successful. Some companies developed long term strategies while others developed short term strategies. This was mainly determined by the dynamism of the environment.
These are responses that are done at the operational level. Newman (1989) advocates that the business unit strategy alone will be ineffective in ensuring success in the strategy implementation. He states that strategy must be executed by the operating departments. He further states that experience has shown that if the business unit strategies are actively supported by the operational departments, competitors and other outsiders will win the day. Obtaining this support is more complicated than it is typically assumed in strategy literature. Each department interacts with its own distinctive environment and it has its own culture, history, commitments and aspirations. These forces are so powerful that the departmental concerns must be melded with the business unit opportunities in shaping and executing the business unit strategy.

Johnson et al (2008) observes that it is the nature of human being to resist any form of change. The resistance is as a result of many reasons. He states that strategy development is incremental in nature. It builds on prior strategy and therefore it is adaptive in the way it occurs. He also states that transformational change only happen occasionally. The strategist can deal with this challenge by motivating people to accept the change. If the people understand that the change is for their good they will embrace the change and in fact they may be turned in to strategy champions. Effective communication is required in implementing the strategy so that the people at the operational level understand what is required and thus reduce the resistance. Involving the people in the strategy process can also help in reducing the resistance.

Jones (2001) observes that one of the main challenges of strategy implementation is communication. He states that many strategies which are well formulated may fail because the people at the operational level do not understand what part they should play in the strategy plan to make it successful. Therefore the strategist should ensure that effective communication is achieved and every employee is made aware of what the company is trying to achieve and how he or she fit in to that strategy.

**2.4: Factor In Strategy Implementation**

Annual objectives, functional strategies and specific policies provide very important means of communicating what must be done to implement overall strategy. By
translating long term intention in to short term guides in action they make strategy operational. But the strategy has to be institutionalized if it is effectively implemented. Three organizational elements provide the fundamental, long term means for institutionalizing the organizations strategy. They are the organizational structure, leadership and the organizational culture.

Pearce II (2002) says that an organization is necessary if the purpose is to be accomplished. This means an organization structure is a major priority in implementing a carefully formulated strategy. If the structure and the strategy are not coordinated the result will be inefficiencies, misunderstanding and fragmented efforts. The need for structures apparent as the business evolves. Small business may not need elaborate structures as only one person may be in control but big businesses must have elaborate structures so as to ease coordination among the functions. Pearce II (2002) defines the structure as the division of tasks for efficiency and clarity of purpose and coordination between the interdependent parts of the organization to ensure organizational effectiveness. It balances the need for specialization and the need for integration. It provides a formal means of decentralization and centralizing consistent with the organizational control needs of the strategy.

2.4.1: Strategy and Structure

Pearce II (2002) argues that a structure is the means of getting organized. To implement the strategy, the reward system, planning procedures and information and budgetary systems are the others means of getting organized that should be employed. These elements are operated interdependently with the formal organizational structure to shape how things are done. It is through structure that the strategist attempts to balance internal efficiency and overall effectiveness within a broader environment. The strategist can choose from the simple, functional, divisional, strategic business units and the matrix types of organizational structures. Though diversity and size create unique structural needs for each firm, it can be able to choose from any of the named. If the activities, responsibilities and interrelations are not organized in a manner that is consistent with the strategy chosen then it is left to evolve on its own (Pearce and Robinson 1997). The
structure influences the type of structure to be employed by the organization. (Robins and Coulter 2002)

Newman (1989) advocates that the way a company is organized can expedite strategic action or may be a serious road block thereto. He defines organizational design as the grouping of numerous business activities into departments, sections etc and on it individuals jobs plus the established relationships between these organizational units. Many organizations are designed with the aim of achieving maximum efficiency in current activities. The work is divided to encourage the use of specialists often with professional training in purchasing, engineering, purchasing, marketing, accounting and other fields. A different aim is to facilitate strategic change. Here the dominating concern is flexibility in order to outmaneuver rivals. A close relationship with the market, suppliers, customers and competitors and legislators are very critical so that the organization keeps ahead of the rivals with enough information about the events in the industry.

2.4.2: Strategy and Leadership.

Within the organizational structure, individuals, groups and units are the mechanisms of organizational action. The effectiveness of the actions of these elements is a major determinant of successful implementation. Leadership is an essential element in effective strategy implementation. The two fundamental issues are the role of the chief executive and the assignment of key managers. The chief executive officer is the catalyst of strategic management. He is closely identified and ultimately accountable for a strategy’s success. The chief executive officer is a symbol of a new strategy and the firm’s mission. Strategy and key long term objectives are strongly influenced by the personal goals and values of the chief executive officer. Abbott (2010, January, 5) states that the chief executive who is the guru of the overall operation is not wholly involved it in the entire strategy implementation process, then the process is bound to fail. Also if the managers do not understand the scope of the intended strategy, then they will not know what to measure or look out for or which way to manage staff.
Hill and Jones (2001) states that the key strategic role of managers, whether they are general or operational is to provide strategic leadership for their subordinates. Strategic leadership refers to the ability to articulate a strategic vision for the organization or a part of the organization and to motivate others in to the vision. The leaders provide vision, initiative, motivation and aspirations. He also cultivates the team spirit and act as a catalyst in the whole process. An effective leader will have clear team goals that encourage team members to replace priority of individual goals with that of the team (Robbins and Courter 2002).

2.4.3: Strategy and Culture

Pearce II (2002) defines the culture as the set of important assumptions that members of an organization share. Much as the personality influences the behavior of an individual; shared assumptions among members of an organization set a pattern for activities, opinions and actions within the firm. Beliefs in an organization will include basic assumptions about the world and how it actually works; values on the other hand are the basic assumptions about which ideas are desirable or worth striving for. The content of the organizational culture is ultimately derived from the influence of the business environment in general, the industry in particular founders, leaders and organizational employees bring a pattern of assumptions with them when they join the organization and the actual experience people have in the organization working out solutions for coping with the basic problems.

The major types of cultures are: power orientation, role orientation and support orientation. There are four undesired cultures, they are: highly political characterized by empire building, change resistant, those that are insular and inward focused and those that are ethically unprepared (Thompson Strickland and gamble 2007).
2.4.4: Strategy and Support System.

These are the procedures, formal and informal that makes organization go day to day and year to year. They involve capital budgeting systems, training systems cost accounting systems and budgeting systems (Mintzberg and Quinn 1991). All these will determine how the strategy is implemented and if they are not made to be in line with the strategy then the strategy will fail.

Porter (1980) states that an organization is a collection of activities that are performed to design, produce, market, decline and support its products. Value chain of the firm and how it performs individual activities are a reflection of its history, its strategy, its approach to implementing strategy and analyzing economic activities. Strategy depends heavily on all these.

2.4.5: Strategy and resources

Jack and Suzy (2010, January, 5) argue that strategy is about setting a broad direction, putting the right people behind it and executing with an unyielding emphasis on continual improvement. They further state that it is about resource allocation. For a strategy to be implemented resources have to be committed. This becomes even more difficult given the scarcity of the resources. Therefore the strategists have to prioritize the allocation of resources.

Availability of resources (physical, financial and human resources) has always been scarce. And yet competitive advantage of a firm is based on its unique internal resources and competencies (Mahoney and Pandian 1992). Therefore the organization has to look at the resources that it has which are unique and can be developed to generate unique competitive advantage.
2.5: Challenges Of Strategy Implementation

According to Thompson and Strickland (1998) strategy implementation is a tougher, more time consuming and more management challenging than grafting a strategy. This is because implementation requires a wide array of managerial activities that have to be attended to. These activities include; demanding people management skills required, perseverance it takes to get a variety of initiatives launched and moving, the number of bedeviling issues that must be worked out and the resistance to change that must be overcome and the difficulties of integrating the efforts of many different work groups into a smooth function whole. Abbott j (2010, January, 5) argue that the change effort will not work if the management carry on exactly as they were doing before.

According to Pearce II and Robinson the strategy implementation process involves operationalising and institutionalization of the strategy. He observes that annual objectives, functional strategies and specific policies provide important means of communicating what must be done to implement the overall strategy. By translating the long term intentions in to short term guides the strategy is made operational. For strategy to be effectively implemented it has to be institutionalized in the day to day operations of the organization.

According to Brebiniak (1984) the methods and problems of strategy implementation have received less attention that those of strategy formulation. He states further that this is very peculiar because both practical and academic experiences have indicated that decisions made in implementing strategy have a substantial impact on organizational performance. He states that a considerable portion of the problems encountered in implementing strategy occur due to omission or commission while managing the implementation process. He states that little had been known about managing change until very recently. In the absence of this knowledge managers faced with implementation problems have approached them from their own perspectives often conditioned by their location and role within larger organizations. The consequences have been uncoordinated, dysfunctional
implementation including unnecessary and excessive costs and occasionally resulting in the failure of the entire implementation effort.

Judson (1996) discusses ten main reasons why strategies implementation fails. Poor Preparation of line managers is a major factor. He states that in many instances line executives are inadequately prepared to assume the responsibility of formulating and implementing strategy. The other reason is faulty definition of the business.

The business of the firm needs to be clearly and appropriately defined for the firm to compete successfully. Failure of the firm to appropriately define the strategic business units is another reason for failure strategy implementation. The other reasons are; excessive focus on numbers, imbalance between internal and external considerations, unrealistic self assessment, insufficient action detailing, and insufficient participation across functions, poor management of the corporate face off and conflict with institutionalized control and systems.

Karuri J W (2006) observed that ICDC faced challenges during strategy implementation. The challenges that were observed include; poor organizational structure, poor strategy and leadership style, poor communication of strategy and inconsistent policy and procedures among others. The company took measures to deal with the challenges. They included; installation of financial software, employment of new executive director, new policies, procedures and guidelines and development of communication strategy. Olali (2006) in his study observed that cooperative banks faced several challenges in its strategy implementation. The bank was well in control because the various heads of departments were vigilant to creatively come up with measures that counter them.

Ombati (2006) in his study on challenges faced in implementing strategies of HIV/AIDS observed that there were several challenges that the organization faced. He also highlighted several interventions that the organization had adopted in dealing with the challenges.

According to Wambugu (2006) Kenya Institute of Management was faced by several challenges in its strategy implementation. The challenges included the structure, the culture, procedures and processes, resistance to change, lack of adequate information
systems to monitor the implementation process, inadequate institutional tools to employees and a mismatch between the work load and available personnel in some divisions.

Mathiu (2006) states that strategic plan implementation at the cooperative bank of Kenya were in place. The organization experienced challenges in various divisions which were occasioned by both internal and external challenges. He further adds that the head of departments were on the look out in time to counter the negative challenges so that the focus of achieving the full implementation is kept. Teamwork and synergy were very important aspects in ensuring that the implementation of the strategy succeeds.

Munywoki (2007) in his study also found out that Safaricom faced many challenges. He stated that the challenges the organization faced as a result of the competition included need to have better quality on products they offer, meeting increased demand, differentiation of products from their competitors, high cost of roll out and expensive promotional campaigns. He further states that it was found out that competition from the external environment was identified as the significant factor, the company reacted to the challenges through price wars, introduction of 3G network, and launching new products.

CHAPTER THREE: RESEARCH METHODOLOGY.
3.0: Introduction

This section describes the research design, data collection and the data analysis. This will define the target population, the sampling procedures used, the research instruments, and the administration of the research instruments, validity and reliability and the data analysis technique.

3.1: Research Design

The research was conducted through a case study. A case study of Lake Basin Development Authority was chosen to enable the researcher to have an in-depth understanding of the behavior pattern of the organization. It involved an in-depth investigation of the firm’s responses to the challenges of strategy implementation. The choice of Lake Basin Development Authority was based on the fact that it has continued to operate successfully since its inception and recently with the many changes in the government. The importance of a case study is emphasized by Young (1960) who acknowledge that a case study is a powerful form of qualitative analysis. Similar studies (Olali 2006, Ombati 2006, Karuri 2006 Munywoki 200) have successfully adopted this research design.

3.2: Data Collection

The research utilized both secondary and primary data. Secondary data was collected through desk review of the strategic plans implementation and other planning related documents at Lake Basin Development Authority. This information was used to supplement the information gathered from the in-depth interviews.

Primary data was collected through in-depth interviews. This was guided by a pre-planned, unstructured guide. The respondents were drawn from top-level management
and some junior officers. The kind of information sought required much insight into realities of strategic planning, strategic implementation and could only be provided by these persons. The people interviewed were the Managing Director, the Chief Manager Business Support Services, the Chief Manager Finance, Human Resource and the Chief Manager Engineering and technical services. The other senior managers included the Planning Manager, the Manager engineering and the Human resource manager.

3.3: Data Analysis

The nature of data collected was qualitative. Data was then analyzed qualitatively using content analysis. Content analysis is defined by Nachmias (1996) as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same approach to relate trends. Mugenda and Mugenda (2003) state that content analysis is mainly used in the study of existing information in order to determine factors that explain a specific phenomena.
CHAPTER FOUR: DATA ANALYSIS AND RESULTS

4.1: Introduction

The collected data has been analyzed and interpreted in line with the objectives of the study namely; to determine how Lake Basin development Authority has implemented its strategy and to establish the challenges of strategy implementation at Lake Basin Development Authority.

Both secondary and primary data were collected. Secondary data was collected by examining strategic plans, financial statements, funding proposals, magazines, performance contracts and newsletters. Primary data was collected by interviewing the respondents using an unstructured questionnaire.

4.2: The Respondents profile.

The respondents in this case were drawn from both the management and junior levels. The senior management employees have been involved in the strategic process of the organization. They include the Managing Director, the Chief Manager Business support, the planning manager, the human resource manager and the regional managers. While the junior employees have been in the organization for a long time and have the organizations’ memory. These include the planning officers, accountants, field officers.

4.3: The strategic making process

The organization usually undertakes a five year strategic plan. The current strategic plan covers the period 2008 to 2012. In making the strategic plan the organization hired a consultant to undertake the exercise. A meeting was arranged where the senior employees attended and with the facilitation of the consultant a strategic plan was developed. The meeting looked at the strengths and weaknesses of the organization and also looked at the opportunities and threats in the environment. Taking all these in to consideration the organization revised its vision and mission.
The new vision was “To be leading development authority in Africa fostering sustainable economic development of the lake region for the prosperity and economic empowerment of the communities” and the mission as “To catalyze the economic development of the lake region in Kenya through promotion and implementation of a resource-based and investments and effective basin-based integrated community developments initiatives”. The authority seeks to differentiate itself from the other parastatals in the region by undertaking basin based integrated projects. The mission was further broken down into specific goals, objectives and strategies that are function specific. The specific programmes and projects that are to be implemented were put down and the budget implication determined. This programmes and projects are clear on who is responsible for the implementation and ensuring success. The Managing Director is responsible for the overall implementation of the strategy. The different departmental managers are responsible for the implementation of the projects under their departments.

4.4: Strategy implementation process

Once the strategic plan was developed then the management was required to put it in action. First the structure had to be changed to the new one. The Managing Director is the one who was responsible for leadership of the implementation of the strategic plan. On the other hand each functional manager was required to pick on the projects and programmes in his area so as to implement them. Therefore all managers and supervisors were required to be leaders for the strategy implementation in their specific areas. Training was arranged facilitated by a consultant to take through the management of the Authority through the aspects of leadership, management, culture change, performance management and human resource management. This was later held for all the other staff. This was designed to sensitize the all the staff on the new strategic plan. All managers were also required to go through the strategic plan with the staff in their departments so that they can familiarize themselves with where and how they fit in the overall strategy.

A committee was formed to align the Authority’s’ structure to the new one. The new structure required the positions that have been created to be filled. This necessitated the evaluation of the institution capacity of the Authority. A staff rationalization exercise has
been put in place to create a lean and efficient staff structure. The process will begin with a human resource audit to assess the numbers, skills and competencies of the current staff against the requirements of the organization. It will involve a job evaluation exercise which will align jobs to the organization’s core functions. Redundant jobs will be abolished, while others will be merged in order to harmonize functions and avoid job overlaps. The organization will then implement a separation process for the staff that will not fit into the new structure. A revised human resource policy will be rolled out which will provide for enhanced staff training, career progression and better remuneration for staff. This is done to ensure that qualified and well motivated staff working in conducive environment effectively and efficiently deliver services and manage the Authority.

The procedures, policies and work instruction of the Authority had to revised to be in line with the new strategic plan. The Authority required all functional areas and departments to come up with a procedures manual. These manuals are to be revised by the management and send to the board of directors for approval. The process of acquiring ISO certification was also put in place.

The Authority will seek to work in close collaboration with its parent Ministry, other GOK Ministries and institutions, key regional development partners/investors as well as the beneficiary communities to achieve its mandate. Figures 1 and 2 shows clearly how the collaboration will be factored in the implementation.
Fig 1: Projects management and implementation framework

Source: Strategic Plan Lake Basin Development Authority 2008-2012
Monitoring and evaluation was also indentified as an essential management tool to ensure organizational set objectives and goals are achieved. The management put an effective Monitoring and evaluation system in place in collaboration with the Ministry.
This was meant to enable the Authority to constantly monitor and evaluate the implementation processes of her programmes and projects; to ensure efficiency and effectiveness.
The management also put in place Specific periodic performance evaluation to be undertaken by both internal and external evaluator to determine impacts and outcome. These will be able to establish if the Authority is on course to achieving its goals and
objectives or not. It will also assist in the review of performance targets and methodology of implementation. These will be augmented by:
Monthly performance reports
Quarterly performance and progress reports
Quarterly management accounts
Mid-term and annual reports

4.5: Challenges of strategy implementation.

The organization is faced with several challenges in the strategy implementation process. This is because the Authority operates in a dynamic environment and therefore it has no choice but to adapt to the changes that come about from day to day.

4.5.1: Financial challenges

The Authority has been faced with the challenge of resource availability. Most of the Authority funding comes from the government. The funding has been limited with the recurrent allocation being only enough for the salaries while the development allocation has not been enough for the projects. The other funding from the other donors has diminished over the periods. This has meant that it has not been possible to implement all the planned programmes of the Authority.

To deal with this challenge the Authority has approached development partners to get funding for its projects while at the same time pursuing private public partnerships. The Authority is also commercializing key strategic business units (rice mill, machinery services and Lichota livestock production centre).

4.5.2: Political challenges

The Authority being a parastatal and serving over seventy two constituents is faced with several political challenges. There are challenges as to the distribution of the projects in its area of operation given the scarcity of resources. It is also faced with the challenges of
political interference in its operations. Some of the examples are its projects being taken over by the communities. Examples are the Kokwanyo livestock multiplication centre and the Lugari livestock multiplication centre. This is because most of the land owned does not have title deeds. To handle this challenge the Authority has divided its area of operation into seven regions. This is to ensure that offices are established in those regions to handle the management of those areas. The Authority pursuing title deeds for all its land to avoid future land grabbing. This will also enable it to get into private public partnership for its projects.

### 4.5.3: Communication

Once the strategy is developed, it moves to the implementation phase. At this stage communication is very critical and if not well done then the process is prone to fail. Lake Basin Development Authority also experience communication problems. Although the staffs were involved in the strategy making process some technical language used barred them from fully understanding the document. Some of the junior staff also viewed the process as a senior management process and thus did not take any keen interest in the process. To overcome this challenge the Authority first and foremost ensured that the staffs were involved in the strategic making process. They also held training for staff to understand their part.

The line managers were also required in their departmental meetings to discuss the strategic plans and alley any fears that they have. All this was to ensure that staffs own the strategic process.

### 4.5.4: Resistance to change

By the nature of human beings they will resist change. Therefore Lake Basin Development Authority also experienced resistance to the change. Some of the staff viewed the process as being designed to separate them from the organization. Some of the staff argued that the Authority is not a profit making organization and therefore they viewed commercialization as not being a core business. They also resisted the new
organizational structure which required some staff to move to the regions and offices outside the head office. Some staff went as far as writing anonymous letters to the ministries and politicians soliciting for support.

The management carried out a participatory strategy making to reduce the resistance in the Authority. It also carried out training of all the staff on the new strategy so that they own the process. They were also explained to the reasons of the regionalization of the Authority. They were also explained to the need to commercialize some of the projects so as to achieve financial sustainability.

4.5.5: Leadership challenges

There were challenges as to the leadership of the strategic process. The Managing Director was the one in-charge of the overall strategy leadership. The rate at which Managing Directors leave the organization is very high. This has resulted in broken implementation plans. When one Managing Director starts a certain project and he leaves without finishing the next Managing Director may not be keen on the same and he may have a different vision. The line managers were in-charge of departmental and regional leadership of the strategies. Some of the managers did not take leadership of the strategy in their respective departments.

The Managing Directors are employed on a three years contract to ensure that there is consistency in implementation of the strategy. In order to handle these challenges the managers were trained their roles in the departmental leadership. The managers were also involved in the process of making the strategy so that they can own the strategy. The different departments are also required to report in the monthly meetings and also share their experiences. This will also enable them to learn from each other.

4.5.6: Government and Legal Challenges

Lake Basin Development Authority is a parastatal in the ministry of regional development. The Authority has been in different ministries in the past. This has meant
that the Authority regulator changes every now and then. This has a caused a challenge of consistency. When in one ministry certain policies may be put in place which may not be maintained in case it is changed to another ministry. The Authority is established under an Act of parliament, this means it can only do things which are stated in the Act. The Authority under its mandate also handles things which are also done under parastatals in other ministries. A case in questions is the ministry of fisheries, agriculture and water.

To handle these challenges the ministry has established a directorate of regional Authorities so that incase of moving the ministry the directorate will handle the policies and ensure that they are in line with the past. The parastatal also seeks to differentiate itself from the other parastatals and other organizations by pursuing an integrated basin based development. The Authority seeks to establish development projects which are integrated. In these projects an output or waste from one activity can be used for another as an input. The droppings of chicken can be used as food for fish or fertilizer for crop production.
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1: Summary and Conclusions

Lake Basin Authority has a strategic plan in place. It covers the period 2008 to 2012. The strategic plan was developed by the help of a consultant and participation of the employees. Employees were involved so as to ensure they have ownership of the document. The mission and vision was broken down in to specific goals and objectives for all the organizational departments.

The strategy formulation was made by the assistance of a consultant. The staff of Lake Basin Development Authority was involved in the process of the strategy implementation. The strengths and weaknesses of the Authority were evaluated in correlation to the threats and the opportunities that exist in the environment. The Managing Director is the one entrusted with the responsibility of ensuring the strategy leadership. The line managers are responsible for the leadership of the individual departments. The structure of the organization had to be aligned to a new structure that is in line with the goals and objectives. The change of the structure necessitated the re-evaluation of the human resource of the authority. The strategy has specific goals and objectives. Procedures, rules, regulations and the policies were revised to take in to consideration the new strategies that had been adopted by the authority.

The authority has also put in place a control mechanism to report on the progress of the implementation. This is done through periodical reporting and putting in place a yearly performance contract between the board and the ministry. This is further signed with the management and the board. The same is cascaded down to the lower level in the organization. Every quarter the management is required to report to the board and the ministry on the progress of the implementation of the strategic plan of the Authority.

The Authority encountered several challenges in the implementation of its strategic plan. The challenges of strategy implementation are; resistance to change, leadership
challenges, financial challenges, government and legal challenges, communication and political challenges. The authority also came up with strategies to handle these challenges.

The Authority made the strategic formulation and implementation process to be inclusive. This enabled the authority to handle the challenge of resistance to change and communication. Trainings were also arranged so as to handle some of the challenges. The challenge of financial and resource availability has been handled by attracting private public partnerships and commercializing some of the main Authority’s strategic business units.

5.2: Limitations to the study

This study was carried out in a limited time and resources. This constrained the scope as well as the depth of the research. This was a case study and therefore cannot be used to make generalization on other firms in Kenya.

5.3: Recommendations for further study

A further study can be carried out on the strategy implementation in other parastatals in Kenya. Also a cross sectional survey can be used covering parastatals in Kenya.
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APPENDICES

Appendix 1: Head office structure

*Regional Coordinators:
1. Regional Coordinator Sondu-Miriu / Nyando,
2. Regional Coordinator Upper Nzoia/Yola,
3. Regional Coordinator, Lower Nzoia/Yola,
4. Regional Coordinator, Kuja Migori,
5. Regional Coordinator, Lake Victoria Issues / Tourism Development,
6. Regional Coordinator, Kibuon-Tende

Source: Lake Basin Development Authority Strategic plan (2008-2012)
Appendix 2: Regional Structure

Source: Lake Basin Development Authority Strategic plan (2008-2012)

Appendix 3: Sub regional Structure

Source: Lake Bain Development Authority strategic plan (2008-2012)
Appendix 4: Interview Guide

SECTION A: RESPONDENT’S PROFILE.
1. Position held in the company.................................................................
2. Years of experience in the company......................................................
3. Does the organization have formal written down strategic plan?
4. What time frame does it cover?
5. Are goals and objective set for the organization?
6. If yes to (3) above do they apply to the whole organization?
7. Does the organization have established strategies to achieve the goals and the objectives?
8. What role do you play in the implementation process?
9. Does leadership pose a challenge in the strategy implementation?
10. If the answer to (7) is yes how does the company deal with the challenge?
11. Does the organizational structure pose a challenge to the strategy implementation?
12. If yes to (9) how does the organization deal with the challenge posed by the structure?
13. Does the organizational culture pose a challenge to the strategy implementation?
14. If yes to (11) above how does the organization deal with the challenge of culture?
15. Does the organization have established systems and procedures guiding its operations?
16. If the organization has established systems and procedures do they support strategy implementation or do they pose a challenge?
17. If the systems and the procedure pose a challenge does management deal with this challenge?
18. Does the organization have the required resources to facilitate the strategy implementation?
19. If the resources are not enough and they are a challenge to strategy implementation how does the organization deal with it?
20. Does the organization face challenges in communication during strategy implementation?
21. How does the company deal with the challenge of communication if the answer in (18) is yes?
22. Do you get any challenges from the shareholder in the strategy implementation process? If yes how do you deal with this challenge?
23. Do you get any challenges from the government that affect the strategy implementation process? If yes how do you deal with this challenge?
24. Do you get any challenges from the consumers in the strategy implementation? If yes how do you deal with this challenge?
Appendix 5: Lake Basin Development Authority area of jurisdiction

Figure 1: Map of LBDA’s Area of Jurisdiction

Source: Lake Basin Development Authority Strategic plan(2008-2012)