STRATEGIC RESPONSES BY THE MINISTRY OF PUBLIC WORKS TO THE CHALLENGES OF THE VISION 2030

BY

SILVESTER KIUA MULI

SUPERVISOR

MR. E. O. MUDUDA

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DECLARATIONS

This project is my original work and has not been submitted for a degree in any other University

[Signature]

Silvester Kiua Muli

Date 8.10.2010

This project has been submitted for examination with my approval as University Supervisor

[Signature]

Mr. E. O. Mududa
Department of Business Administration
School of Business
UNIVERSITY OF NAIROBI

Date 8-10-10
DEDICATION

This paper is dedicated to my wife Violet Kiua, whose wisdom and wise counsel have been the cornerstone in my quest for academic excellence.
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ABSTRACT

The environment in which organizations operate is constantly charging with different factors influencing organizations. Since the run of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Organizations such as business firms are environment serving. They are in constant two-way interaction with the environment. They are dependant on the environment for resources to which they add value and deliver back to the environment in the form of goods and services (Ansoff, 1980). As such changes in the environment attract response from the organizations that are operating within that environment. Change is normally not welcome and organizations will try to control it, absorb it, or minimize it (Ansoff, 1980). The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves. Decisions by managers have a strategic impact and contribute to strategic change. This study was designed to determine strategic responses by The Ministry of Public Works to the challenges of The vision 2030.

The study was carried out using a case study design. Data was collected using an interview guide which was administered using drop and pick method. The sample size for the study was 10 managers in the Ministry. Secondary data was used to corroborate the data from the primary sources. The results were tabulated for ease of comparison and interpretation of the findings. The study found out that the Ministry faces a lot of challenges from economic, regulatory to technological factors. The most prevalent challenges came from the economic environment. The Ministry has responded to challenges in the economic environment by restructuring, adapting aggressive promotion and increasing the level of use of new technologies. To deal with the technological challenges, the Ministry has introduced new systems and automated its operations. Technical staff has also been hired to enable the Ministry venture into highly technical businesses. These findings have implications for The Ministry and the policy makers in the country.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

All business firms including government ministries are open systems. They affect and are affected by external conditions that are largely beyond their control (Pearce and Robinson, 1997). Therefore, to successfully position a firm in competitive situations, its strategic managers must look beyond its operations. They must consider what relevant others e.g. competitors, customers, suppliers, creditors, government and labour are likely to do. Strickland (1998) states that managers have ever-present responsibility for detecting when new developments require strategic response and when they don’t. It is their job to track progress, spot problems early, and monitor the winds of market and customer change and initiative adjustments. Pearce and Robinson (1997) state that in order for organizations to achieve their goals and objectives, it is necessary for them to adjust to their environment. The dynamism of the environment implies that organizations have to constantly redesign their strategies in order to remain competitive. Failure to effectively adapt the organization to its environment, according to Ansoff and Mcdonnell (1990), leads to a strategic problem. Such a problem will be evidenced by a mismatch between what the organization offers and what the market demands.

There are many changes that have rapidly taken place in the environment that business organizations are operating in Kenya. In the last ten years the GDP growth rate has fluctuated from negative 0.3% in 2000 to 5.8% in 2005 and to 0.6% in 2008. All Government Ministries are open system and therefore dependent on their environment for survival. It therefore becomes mandatory for ministries to prepare themselves by formulating strategies that will enable them to exploit opportunities in the environment, and eliminate or minimize the threats that affect their performance. The ministry of Public Works in Kenya has not been spared by this rapidly changing and complex business environment. This ministry is highly responsive to changes in the external business environment. It is responsible in coordinating the building programme of various Government Ministries and Departments. To survive in such dynamic environment, its strategies need to focus on their customers (Government Ministries) and
deal with emerging environmental challenges. This is necessary because they are environment serving (Ansoff, 1987).

The Kenyan business environment has been undergoing drastic changes for some time now. Some of the changes include the accelerated implementation of economic reforms, the liberalization of the economy, discontinuation of price controls, privatization and commercialization of public sector, increased competition and performance contracting in the public sector. This therefore has resulted to both Government ministries and organizations to constantly adapt their activities and internal configurations to reflect the new external realities and align to The Vision 2030.

1.1.1 Strategic Response

According to Pearce and Robinson (1997) strategic response is the set of decisions and actions that results in the formulation and implementation of plans designed to achieve a firm’s objectives. It is thus a reaction to what is happening in the environment of the organization. When firms are faced with unfamiliar changes they should revise their strategies to match the turbulence level (Ansoff and McDonnel, 1990). Failure to effectively adapt the organization to its environment leads to a strategic problem. The organization’s external environment consists of all the conditions and forces that affect its strategic options and defines its competitive situation (Pearce and Robinson, 1997). Response strategies are concerned with decisions and actions meant to mitigate against business environmental turbulence with a view to achieving business objectives and purpose. Strategic responses aim at achieving strategic fit. They aim at achieving the correct positioning of the organization, for example, in terms of the extent to which it meets clearly identified market needs. An example of a response strategy is when a small business tries to find a particular niche in the market in order to avoid competition from the established firms. Another form of response strategy is when an organization intensifies mechanization of the operations in order to overcome problems of labour, for instance, industrial disputes by reducing reliance on labour.

Strategic response is meant to safeguard an organization from impact of both present and foreseeable future environmental changes. A response strategy is therefore environmental
driven. A response strategy, like strategic decision, is concerned with the scope of an organization’s activities. This includes products range, the number of activities to be carried out and geographical coverage e.t.c. For an organization to continue to achieve their goals and overcome the operating environmental turbulence it must be constantly continue scanning the operating environment and developing response strategies aimed at overcoming any adverse effects of such turbulence. Response strategies should always achieve strategic fit for organization.

1.1.2 The Kenya Vision 2030
Kenya Vision 2030 is new long-term development blueprint for the country. It is motivated by collective aspiration for a much better society than the one we have today, by the year 2030. The aim of Kenya Vision 2030 is “to make Kenya a globally competitive and prosperous country with a high quality of life by 2030.” It aims at transforming Kenya into “a newly-industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment”. In other words the vision aspires to meet the Millennium Development Goals (MDGs) for Kenyans. The Vision was a consultative and inclusive stakeholders’ process carried out between October 2006 and May 2007. Specifically, the process involved international and local experts, ordinary Kenyans and stakeholders from all parts of the country. Between July and August 2007, the contents of the Vision 2030 were again subjected to open consultations in all districts in Kenya, before the finalization of the document.

The Vision is anchored on three key pillars: Economic; Social; and Political Governance. The economic pillar aims to achieve an economic growth rate of 10 per cent per annum and sustaining the same till 2030 in order to generate more resources to address the MDGs. The vision has identified a number of flagship projects in every sector to be implemented over the vision period to facilitate the desired growth that can support the implementation of the MDGs on a sustainable basis. In addition the vision has flagged out projects addressing the MDGs directly in key sectors such as agriculture, education, health, water and environment. The social pillar seeks to create just, cohesive and equitable social development in a clean and secure environment. The political pillar aims
to realise an issue-based, people-centred, result-oriented and accountable democratic system.

1.1.3 The Public Service Sector in Kenya

The Kenyan public service encompasses the central government, local authority, the teaching services and parastatals. Under the Central Government are the core Civil Service Commission, the Judiciary, the State law office, the Parliamentary Service Commissions, the disciplinary services and the Armed forces. The Civil Service refers to the Central Government workforce, which constitute a distinct body of staff within the public service. In Kenya the Civil Service includes government ministries, and six specialized departments: Office of the Attorney General, the Judiciary Department, Exchequer Department, the Public Service Commission, the National Assembly, and the National Audit Office. The police, the Administration Police, National Youth Service and Prison Service are included in this definition. The Public Schools, Local Government Authorities and State Corporations together with the Civil Service constitute the Public Service (Republic of Kenya, 1991). Reforms in the Civil Service ended up affecting the Public Service as each try to fulfill their core mandates while focusing and directing their strength on Vision 2030 requirements.

The Kenyan Government currently comprises of 42 ministries charged with the responsibility of rendering services to the public. Most of the ministries have for along time been a big liability on the Government, which continue financing them by the treasury for operational costs. In order to turn around these ministries and return them to profitability, the Government launched comprehensive and integrated public sector reform programs. Various reform initiatives were recommended and implemented with a view to enabling the public sector cope with the turbulent business environment. Among the measures implemented included; adopt advanced technology, Transparency, downsizing, privatization, outsourcing and performance based management. These changes have consequently led to, more focused ministries with potential capability and capacity to provide efficient management of public resources. The lounge of the Kenya Vision 2030 by the Government in 2007 has been the main focus by all the Government
1.1.4 The Ministry of Public Works

In 2008, the Coalition Government split the Ministry of Public Works from the Ministry of Roads and Public Works. The Ministry is charged with coordinating the building programme of various Government Ministries and Departments. This co-ordination is done through design and supervision of New Construction, Refurbishment/Rehabilitation and Maintenance of buildings. The Ministry acts as a Consultant to other Ministries and Departments. The projects range from building offices, houses, Labs, Theatres, construction of jetties, sea walls, foot bridges, installation of electrical mechanical equipments e.g. CCTV, lifts etc. The projects provide accommodation or access as part of the infrastructural development of our country.

The Ministry has several Departments among whose primary objective is to provide client Ministries with suitable accommodation. As per the presidential circular No.1/2008 of May, 2008, Ministry of Public Works is responsible for following: public works policy; public works planning; Development and maintenance of public buildings; Maintenance of Inventory of Government property; Provision of Mechanical and Electrical building services; Supplies Branch; Coordination of procurement of common user items by Government Ministries; Kenya building Research Centre; Registration of Engineers, Architects and Quantity Surveyors and other public works. The Ministry of Public Works as part of the Infrastructure sector has its vision to provide cost effective world-class infrastructure facilities and services in support of vision 2030.

1.1.5 Challenges Arising from The Vision 2030

Johnson and Scholes (2002), defines strategy as the direction and scope of an organization over the long-term through its configuration of resources within a challenging environment to meet the needs of markets and fulfill stake holder’s expectations. Strategy is a general plan for the way a company can deploy its skills and resources in order to achieve its overall goals (David 2003). According to Pearce and
Robinson (1997), strategic management can be seen as a combination of strategy formulation and strategy implementation. Strategy formulation involves doing a situation analysis of both internal and external environment, setting the vision, mission and objectives of the organization and suggesting a strategic plan to achieve the set objectives. Strategy implementation involves allocating sufficient resources, establishing chains of commands and reporting structure, assigning responsibility of specific task and processes to specific individuals or groups and managing the process. Strategy formation and implementation is an ongoing never ending integrated process requiring continuous reassessment and reformation.

The main critical phase of strategic management process is translating the strategic plan into actions. Pearce and Robinson, (1997) argues that once strategies have been formulated they need to be implemented for the company to attain its objectives. The strategies need to be translated from high level conceptual term into a more detailed policy that can be understood at the functional areas such as marketing, research and development, Production, Human Resource, Finance and information communication and technology. Organizations such as Government Ministries are environment serving. They are in constant two-way interaction with the environment. They are dependant on the environment for resources to which they add value and deliver back to the environment in the form of goods and services (Ansoff, 1980). As such changes in the environment attract response from the organizations that are operating within that environment. Change is normally not welcome and organizations will try to control it, absorb it, or minimize it (Ansoff, 1980).

According to Johnson and Scholes (2003), dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environment influences may not be of much use because no overall picture emerges of the really important influences on the organization. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. Managers are no different
from other individuals in the way they cope with complexities; they try to simplify what is happening by focusing on those few aspects of the environment that have been important historically. It is important to avoid these tendencies whilst achieving an understanding of the environment that is both usable and oriented towards the future.

The major challenges facing Government Ministries is to identify the opportunities and threats posed by the changing environmental conditions. Porter (1980); noted that the major global changes have been the government policy and technological evolution. Mintzberg et al (2003); Burns (2004); Porter (1985) and Andrews (1987), argues that the environmental influences relevant to strategic decision are in the industry, the total business community, the city, state and the world, and categorized as technological economic, physical, social and political; whereby change is fastest in technology, and less rapidly in politics. Johnson and Scholes (2004) and Johnson et al. (2006) argue that the broad environment, described by PESTEL framework, categorizing environmental influences in six main types; political, economical, social, technological, environmental and legal environments.

Porter (1985) observes that to avoid obsolesce and promote innovation, a firm must be aware of technological changes that influence industry. Pearce and Robinson (2004) argue that creative technological adaptation result in new products, improvement in new products and marketing techniques; and forecasting the path of technological evolution is extremely important in anticipating technological changes and improving a firm’s position. Harrigan (1994) observes that technological innovation is a major cause of accelerated evolution and increased demand and uncertainty and Drucker (2002) emphasizes that “information revolution” of e-commerce is totally unpredicted and unexpected development that is changing the economy, society and politics globally.

Ministry of Public Works functions as stated earlier are faced with the above challenges as it tries to align its strategies towards achievement of Vision 2030. Global financial crisis has forced the Minister of Finance either cut finance on Government projects or suspend undertaking of any new projects by Ministries (Daily Nation, Wednesday, March
This slows down the pace of Ministry of Public Works in working towards achievement of Vision 2030. Other challenges are the Technological changes, Political interferences, necessary legislation to enforce the punishment to culprits violating the Ministries regulations and Policies etc and a general lack of adequate technically qualified personnel. This research therefore seeks to explore all these challenges and how the Ministry of Public Works is responding to them.

1.2 Statement of the Problem

Development of infrastructure and a clean build environment is an important prerequisite in creating and supporting business environment that facilitates private sector investment, growth and job creation (GOV, 2006). An efficient infrastructure network in both urban and rural areas has been identified as a priority towards achievement of investment programme for economic recovery strategy (IP-ERS) and Millennium Development Goals (MDGs). The Ministry of Public Works is charged with the responsibility of implementing vision 2030 policies in the area of Construction industry development policy and public facilities improvement programme including formulation of infrastructure projects hence plays a leading role in the process of other Government ministry development. The fundamental changes that have taken place recently include the establishment of a coalition Government, formation of government in Southern Sudan and the revival of the east African community.

There is a fundamental shift occurring in the world economy. We are moving progressively further away from the world in which national economies were relatively isolated from each other by trade barriers, distance, culture and business systems to a world in which economies are merging into an independent global economic system resulting in increased competition. In the last few years the economy has experienced low interest rates and increased budgetary allocations by the government for infrastructure development.

There has been rapid technological change in the last few years demanding a change in the way construction is done. Modern equipments have enabled work to be done faster
and with fewer technicians. These changes have been realized in communication, transportation, computerized batching and building materials. In reaction to these changes, most Government ministries outline policies that provide for physical infrastructure and housing in their economic development plans. The growth of the Government Ministries to 42 requires that the Ministry of Public Works increases its capability to provide the desired services. The Vision 2030 envisages an accelerated development approach thereby changing the environment in which Government Ministries have been operating and the way they formulate their strategies.

Since the environment in which Ministry of Public Works has changed, it is expected that this must have created pressure to adapt its operations to the new conditions spelt out in Vision 2030. The Ministry of Public Works is therefore expected to respond to these changes. As the Ministry in-charge of coordinating the building programme of various Government Ministries and Departments, hence a major player in offering infrastructure to other Ministries, what strategic responses has the Ministry of Public Works evolved to cope with the challenges relating to Vision 2030? Researches on response strategies of Kenyan companies have been carried out in the past. According to Abdullahi (2000) most companies do not have a clear cut strategic approach. Kathuku (2005), Were (2007), Mwangi (2006), Kombo (1997) carried out a research on strategic responses by various firms facing changed environmental conditions and their findings were that most organizations lack the capability to respond to all environmental changes and respond differently to those that give them a competitive edge. Other studies have been done but none has focused on challenges relating to Vision 2030. It is in this respect that this research sought to fill the gap by studying the responses by the Ministry of Public Works to the challenges relating to Vision 2030.

1.3 Objectives of the Study

i. To establish challenges relating to the Vision 2030 that the Ministry of Public works is facing as a Government Unit and

ii. To determine the manner in which the Ministry of Public Works is strategically responding to such challenges.
1.4 Importance of the Study

This study will be important to various stakeholders in four respects. First, the Ministry of Public Works will find the study valuable in strengthening the capacity of Kenya’s construction industry and will also shed light on how ministry is implementing the Vision 2030 policies on Construction industry development policy and public facilities improvement programme. Second, other Government Ministries will find the study useful in guiding on the strategies to craft during changing environmental conditions and how they can align them to vision 2030. Third, scholars wishing to carry out further research in the ministry could find the study a useful resource since no prior study has been undertaken on Strategic responses of Ministry of Public Works to the challenges of the vision 2030. Lastly, the study will be an additional resource that policy makers and practitioners in the ministry can find useful.
CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

The concepts of strategy and strategic management are important for the success of organization. These issues influence the responses made by such organizations in managing the environments in which they operate. Strategy can be defined as the establishment of the long-term goals and objectives of an organization, including the taking of actions and allocating of resources for achieving these goals (Chandler, 1962). Due to the scarcity of resources, the strategy that is chosen should be one that optimizes these resources in the pursuit of the organizational goals and objects.

According to Andrews (1971), “Strategy is a pattern of objectives, purposes, or goals and the major policies and plans for achieving these goals stated in such a way to define what business the company is in or to be in and the kind of company it is or is to be”. Strategy, therefore, not only focuses on the goals and objectives of organizations and the means of achieving them, but also gives an indication of the nature of the company and its business both in the present and in the long-run. Quinn (1980) identifies strategy as a plan that puts together an organizations major goals, policies and actions sequences. A well-formulated strategy enables an organization marshal and allocates its resources in a unique way on a basis of its relative internal competencies and limitations, expected changes in the environment, and contingent actions by competitors.

Porter (1980) States that strategy is basically about competition and the means by which an organization tries to gain a competitive advantage. According to Ohmae (1983), the only purpose of strategic planning is to empower an organization to efficiently gain a sustainable competitive age over its competitors. Therefore, corporate strategy implies an attempt to change, in the most efficient way, a company’s strength relative to that of its competitors. Johnson and Scholes (1997) note that strategy is the long-term direction and scope of an organization that facilitates the achievements of advantage, for the organization, through the mode of arrangement of resources within a changing environment. This would enable the organization to meet the need of markets and to
fulfill stakeholder expectations. Thus strategy is viewed as the matching of the activities of an organization to which the environment operates.

“Strategy can be seen either as the building of defenses against competitive forces, or as the finding of positions in the industry where competitive forces are weakest” (Pearce & Robinson, 1997). Grant (2000) adds that the abilities to identify and occupy attractive segments of an industry are critical to the success of an organization. Hill and Jones (2001) conclude that the strategies in organization have a major impact in its performance relative to its peers. Strategy needs to be well defined since it would determine and communicate the direction in which the organization will move, and the level of performance it will achieve. Therefore, strategy requires careful development and should not just be a product of the intuition of organizations managers.

2.2 Strategic Management

Ansoff and Mcdonnel (1990) define strategic management as a process through which a firm manages its relationship with the environment in which it operates. It consists of strategic planning, capability planning, and management of change. Strategic management therefore is a continuous activity that enables the organization plan for the exploitation of opportunities using its internal strengths while minimizing the impact of threats posed by the environment in the light of the organization’s weakness.

According to Hammer (1996) strategic management is a way of conducting a firm. It has the ultimate objective of the development of corporate values, managerial capabilities, responsibilities, and administrative systems that link strategic and operational decision-making at all levels at the organization. Thus strategic management focuses the decision of the entire organization in one direction. Cole (1997) states that strategic management is a process, directed by top management, but engaged in throughout the organization, including the involvement of those concerned with satisfying customers’ legitimate needs. It ensures the attainment of those fundamental aims’goals through the adoption of adequate resources for the planned direction for the organization over a given period.
Pearce and Robinson (1997) define strategic management as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. It involves planning, directing, and controlling the strategic decision and actions of the business. Hunger and Wheelen (1999) view strategic management as a set of managerial decision and actions that determine the long-run performance of an organization. It emphasizes the monitoring and evaluation of opportunities and threats in the light of the strength and weakness of the organization.

Strategic management has also been defined as 'the art and science of formulating, implementing and evaluating cross functional decisions that enable an organization to achieve its objectives' (David 2001) it implies focusing on integrating management, marketing, finance/accounting, production/operation research and development, and computer information system to achieve organizational success. These definitions, though offered by different authors over a period of time, all emphasize the fact that strategic management is dynamic and is concerned with providing, and continuously adjusting the means at which organizations can effectively cope with environmental change. Therefore strategic management is not only a continuous process, but also dynamic.

2.3 Environment, Strategy and Organizational Capability

Ansoff and McDonnel (1990) state that changes in the organizations' behaviours are necessary if success in the transformation of the future environment is to be assured. They noted that such changes, which touch on the organizations' strategy and capability, would need to be systematically identified through the strategic diagnosis approach. This approach is derived from the strategic success hypothesis, which states that a firm's performance potential is optimum when the aggressiveness of the firm's strategic behaviour matches the turbulence of its environment; the responsiveness of the firm's capability are supportive of one another. When any one of these three aspects is lacking, then the firm's performance potential will be less than optimum. The real-time response is the specific action that is chosen and implemented in order to realign the organizations strategic aggressiveness to the environmental turbulence.
As the organization’s environment changes, it is necessary that the firm continuously adapt its activities and internal configurations to reflect the new external situation. Porter (1991) explains the concept of dynamic strategic fit. He states that firm creates and sustains competitive advantage because of the capacity to continuously improve, innovate and upgrade their competitive advantages over time. Upgrading is the process of shifting advantages throughout the value chain to more sophisticated types and employing higher levels of skill and technology. According to Grant (2000) a successful strategy is consistence with the organizations goals and values, external environment, resources and capabilities, and organizational systems. This indicates the fact that the organization depends on the environment for its survival and the responses to the environmental situation will determine its performance. Thus when there are changes in the environment, the organizations capabilities and strategy would have to be changed in order to ensure a continued strategic fit.

2.4 Environmental challenges and Organizational Responses

Organizations such as business firms are environment serving. They are in constant two-way interaction with the environment. They are dependant on the environment for resources to which they add value and deliver back to the environment in the form of goods and services (Ansoff, 1980). As such changes in the environment attract response from the organizations that are operating within that environment. Change is normally not welcome and organizations will try to control it, absorb it, or minimize it (Ansoff, 1980). Organizations normally exhibit two behaviors to environmental change. These are incremental or entrepreneurial. Incremental behavior is where response to change is reactive. Action occurs when the need for change has become clear and imperative. The solution to change in incremental mode is to minimize departure from status quo. Majority of firms adopting incremental mode are more concerned with efficiency so as to achieve effective utilization of resources (Ansoff, 1980).

On the other hand entrepreneurial behavior entails a drastically different attitude toward change. In this kind of reaction, the organization seeks change rather than suppresses or
minimizes it. Future threats and opportunities are anticipated. The organization strives for a continuing change in status quo rather than seek to preserve the past. This mode of reaction to change is observed more in business sector than in non-business in view of the fact that the birth of a firm is an entrepreneurial creative act. Also the occurrence of crises, which threatens survival if the organization persists in the incremental mode, is much more frequent in the business firm. This is because the survival of the firm depends on its continued ability to make a profit (Ansoff, 1980). Thirdly firms behave entrepreneurially continuously in a deliberate search for growth through change. Entrepreneurial mode is seen, in business literature, as aggressive and growth oriented unlike incremental mode which is conservative and stagnant (Ansoff 1980).

According to Johnson and Scholes (2003), dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environment influences may not be of much use because no overall picture emerges of the really important influences on the organization. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. Managers are no different from other individuals in the way they cope with complexities; they try to simplify what is happening by focusing on those few aspects of the environment that have been important historically. It is important to avoid these tendencies whilst achieving an understanding of the environment that is both usable and oriented towards the future.

Continued organizational survival depends on its ability to secure rewards from the environment that replenish the resources consumed in the conversion process. It also depends on continued maintenance of its social legitimacy. Therefore as the organization engages in conversion of the input resources into goods/services, there should also be concern on guidance and control of the activities of the organizations so as to minimize side effects on the environment that may socially be undesirable (Ansoff, 1980).
The overall aim of strategic and operations management is to create strategic fit between the organization and its operating environment so as to achieve timely and adequate organizational response to environmental challenges. Organizations therefore develop and put in place response strategies to enable them overcome negative impact of environmental turbulence. If a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations. Success is dependant on productivity, customer satisfaction and competitor strength. Critical success factors are crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive. Strategy has an important role in helping businesses position themselves in an industry.

Effective strategy may enable a business to influence the environment in its favor and even defend itself against competition. Aaker (1992) adds that given the current focus in business, there is need to understand competitor strengths in the market and then position one's offerings to take advantage of weakness and avoid head on clashes against strengths. Porter (1998) says that to adapt to environmental changes, firms require effective leadership. He further states that while leadership is crucial, most organizations are over-managed and others under-led. In this regard therefore it is necessary to examine what impacts leadership and strategic management have on an organization in relation to its external environment. Johnson and Scholes (2002) view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholders expectations.

Porter (1985) observes that for firms to be able to retain competitive advantage, they need to examine their environment both internal and external and respond accordingly. Ansoff and McDonnell (1990) also point out that the match between its strategic responsiveness and strategic aggressiveness and how these are matched to level environmental turbulence determine the success of every organization. This is because each level of
environmental turbulence has different characteristics, requires different strategies and requires different firm capabilities. Therefore, each level of environmental turbulence requires a matching strategy and the strategy has to be matched by appropriate organization capability for survival, growth and development. Being ahead of the game requires that firms employ competitive strategies that are sustainable and assure them of their market position. Existence of strategy is not a guarantee for success. Institutionalizing those strategies, allocation of adequate resources, visionary leadership and good corporate culture, amongst others are necessary ingredients for successful business success strategies. To be successful overtime, an organization must be in tune with its external environment. There must be strategic fit between what the firm needs and what the environment can provide. The speed or response time to the environment challenges has been identified (Pearse and Robinson, 1997) as a major source of competitive advantage for numerous firms in today’s intensely competitive global economy. It is thus imperative to quickly adjust and formulate strategies so as not to be overtaken by events.

2.5 Response Strategies

Strategic responses are concerned with reacting to threat to the long term direction of an organization by changes in the operating environment. They are meant to cushion the firm against any threats emanating from the environment. Ansoff (1980) asserts that when a firm fails to respond to a threat, the losses that result continue to accumulate. According to Ansoff and McDonnel (1990) strategic responses involve changes in the firm’s strategic behaviors to assure success in transforming future environment. Pearce and Robinson (1997) defined strategic responses as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm’s objectives. Therefore it is a reaction to what is happening in the economic environment of organizations. Thompson (1997) defines strategy adaptations as changes that take place overtime to the strategies and objectives of an organization. Such change can be gradual or evolutionary, or more dramatic, even revolutionary. Ansoff and McDonnel (1990) note the strategic responses involve changes to the organization’s strategic behavior. Such
responses may take many forms depending on the organization’s capability and the environment in which it operates.

Strategic response is about restructuring by adopting new strategies that match the challenges from the environment. Some of the strategies that have been used for restructuring are re-engineering, downsizing, self-management and out sourcing. According to Ansoff and McDonnel (1990), the management system used by a firm is a determining component of the firm’s responsiveness to environmental changes because it determines the way that management perceives the environment, diagnosis its impact on the firm, decides what to do and implements the decisions. The strength of a firm’s strategic responses capabilities is determined by flexibility in market, production and competition. Market flexibility deals with organizations ability to have a high market share. Production flexibility arises from a firm spreading it’s value creation activities in those markets where it has a major market share, while competitive flexibility of an organization arises from it’s ability to coordinate it’s competitive moves. Well-developed and targeted strategic responses are formidable weapons for a firm in acquiring and sustaining a competitive edge. These strategic responses include restructuring, marketing, information technology, and culture change.

2.5.1 Restructuring

Wilson and Rosenfeld (1990) define organization structure as the established pattern of relationships between component parts of an organization outlining communication, control and authority patterns. Thus structure distinguishes the parts of the organization and delineates the relationship between them. With regards to the number of levels in the structure of the organization, often referred to as the scalar chain, Drucker (1989) suggests that these should be as few as possible. Too many levels bring difficulties in the understanding of objectives and communicating both up and down the hierarchy.

One of the major activities of restructuring is business process reengineering. Hammer (1996) notes that the companies can dramatically improve their efficiency and quality by focusing on customers and the processes that create value for them. Processes have come
to be more important than their products and in fact defining the market places in which the companies compete. Outsourcing for instance, would enable an organization to concentrate on its core businesses, while benefiting from the cost efficiencies of those companies that specialize on the outsourced activity. Firms can design their strategies based on their processes, for instance, through intensification where processes are mapped and improved to enhance customer service, or through extension where strong processes are mapped and improved to enhance customer service, or through extension where strong processes enable entry to new markets. According to Quinn (1982), enterprises generally obtain strategic advantage by focusing on the smallest activity or cost units that can be efficiently replicate. Cost-cutting efforts will lead to dramatically lower overhead costs and part of this savings can then passed to the customer in terms of lower prices.

Reichheld (1996) suggests that by searching for the root causes of customer departures, companies with the desire and capacity to learn can identify business practices that need fixing and sometimes, can win the customer back and re-establish the relationship firmly. Thompson (1997) states that radical business process reengineering implies that a firm completely rethinks how certain task are carried out and searches for new ways through which performance may be improved. It leads to breaking down functional and individual job boundaries as the process do not have to coincide with the existing departmental structures. Grundy (1995), however, cautions that speeding activities up without detriment to quality, and without increasing costs, demands more effective learning and feedback in the management process. Accelerating process, with continual and open learning, avoids costly errors. Senior (1997) notes that there are various catalysts for organizational changes such as restructuring. These triggers may include the purchase of a new it equipment or system, business process reengineering through process intensification/extension, the redesign of group jobs, staff right sizing and subsequent staff cutbacks, as well as staff redundancies.
2.5.2 Marketing

Kotler and Armstrong (1999) define marketing as a social and managerial process. It is the process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Basically it's all about satisfying customer needs and wants. Kotler (2000) observes that marketing helps to define the business mission as well as analyzing the environmental, competitive, and business situations. It therefore plays a major role in the organization’s strategic planning process. The strategic planning responses are based on the marketing mix elements of product, price, distribution, and promotion.

According to Thompson and Strickland (1993), environmental scanning enables managers to identify potential developments that could have an important impact on industry conditions leading to the emergency of opportunities and threats. This will help the managers to develop appropriate strategies given the industries competitive situation. A number of strategic marketing variables may be manipulated in response to changing competitive situation. These include adjusting of target markets, diversification, developing new products, distribution changes, and making price cuts (Business Trend Review 1992). Other marketing variables that comprise the firm’s response to a changing competitive situation include the advertising and establishment of relationship marketing.

2.5.3 Information Technology (IT)

According to Porter (1985), technological change, especially IT, is amongst the most important forces that can alter the rules of competition. This is because most activities of an organization generate and utilize information. Porter and Millar (1985) contend that IT can also create new businesses from within a company's existing activities. McFarland et al (1983) contribute that IT offers a scope of product differentiation that enables the company to effectively service the needs of its market niche. Luftman (1996) adds that the way a firm views its businesses, customers and competition is critical to successfully aligning its business and IT strategy. IT is used to automate processes and to augment the skills of the organization’s staff.
Rayport and Sviokla (1995) state that the competition is defined along two dimensions; the physical world of resources and a virtual world of information. Information supports and enhances every activity in the organization, and it can itself be a source of added value and hence, competitive advantage, provide organizations are able to draw that value. Gilbert (1995) notes that strategically successful organizations obtain market feedback continuously and rapidly, adapt to the feedback ahead of their rivals. They exploit the potential of strategic as well as competitive and operating information systems. Some of the information technology variables that can influence a firm’s responses to competition include the usage of real-time systems, extent of interconnectivity of distribution channels as well as the efficiency of the telecommunication systems.

2.5.4 Culture Change

Brown (1998) defines organization culture as 'the pattern of beliefs, values, and learned ways of coping with experience that have developed during the course of an organization’s history and which tend to be manifested in its material arrangements and in the behaviors of its members'. Thus, an appropriate and cohesive culture can be a source of competitive advantage. This is because it promotes consistency, co-ordination and control, and reduces uncertainty while enhancing motivation and organizational effectiveness, all of which facilitate the chances of being successful in the market place. Therefore cooperate culture identity, for the marketer, is a strategic tool that is used to manipulate consumer perceptions of an organization and its products/services.

According to Thompson (1997), the potential for changing the culture of an organization is affected by the strength and history of the existing culture, how well the culture is understood the personality and beliefs of a strategic leader, and the extend of strategic need. The culture of the organization would need to be changed when it does not fit well with the requirements of the environment or the organization’s resources, the company is not performing well and needs major strategic changes, or the company is growing rapidly in a changing environment and needs to adapt.
Kotler (1996) notes that truly adaptive firms with adaptive cultures are awesome competitive machines. They produce superb products and services faster and better, even when they have fewer resources or less market share. Hamel and Prahalad (1989) add that companies that have risen to a global leadership began with strategic intents that were disproportional to their resources and capabilities. Sadler (1988) concludes that successful organizations must be able not only to deliver a high level of customer-service, but also manage cultural change.

Culture change and cooperate learning are interdependent. The rate of organizational learning is dependent on culture, while the rate and content of organizational learning fundamentally influence the firm’s culture. Thus, culture change is a process of relearning. Other indicators of cultural shifts include changes in architectural design and branding of corporate buildings, the change in organizational logo, and nature of internal communication as well as staff dress codes. Strategic responses to a changing competitive environment, therefore, entail substantial changes to an organization’s long-term behavior. This adaptation may be gradual or revolutionary depending on the nature and circumstances facing the organization.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
Since the aims of the research was to establish challenges that the Ministry of Public works is facing in positioning itself to the challenges of Vision 2030 and to document the relevant strategic responses made, a case study approach was adopted. The pertinent primary and secondary data was collected to meet the objectives of the study.

3.2 Research Design
The research was conducted through a case study design. The method is appropriate as it involves an in-depth understanding of the challenges and enables the researcher to get deeper understanding of the challenges facing the Ministry of Public works with regard to positioning itself to the vision 2030. A case study is also appropriate as it involves a careful and complete observation of a social unit-a person, institution, family, cultural group, or an entire community-and emphasizes depth rather than the breadth of study (Kothari, 1990). The design is valuable for an in-depth content analysis. This method was successfully used by Karuri (2006), Muturi (2003), Adoyo (2006), Bett (1995), Kombo (1997), Njau (2000), and Kandie (2001).

The Case Study approach was chosen rather than, for instance, the cross sectional survey, because the objectives of the study will require an in-depth understanding of the challenges that the Ministry of Public works is facing in positioning itself to the challenges of Vision 2030 and the specific strategic responses used to align with vision 2030. The researcher personally interviewed the respondents using the pre-prepared interview guide.

3.3 Data Collection
The study used both Primary and Secondary data. An open ended interview guide was used as the main instrument. Pertinent data was collected from the top management of the Ministry of public works at the headquarters. The people targeted for questioning were the top management staff which include; Permanent Secretary, The Works Secretary, The
Chief Architect, The Chief Engineer Services, The Chief Engineer Structural, Chief Procurement Officer, The head of Publicity, head of Human Resource, head of Finance, head of Administration and the head of ICT.

The open-ended interview guide enabled the respondents to give as much information as possible without any form of limitation. The researcher designed the interview guide on the basis of the objective of the research and the study's literature review. The primary data was supplemented by secondary data from the existing records of Ministry of Public Works such as those relating to promotional efforts, restructuring programs, Quality of infrastructure and community efforts. This was drawn from internal circulars and the Ministry's cascade, which is staff newsletter.

3.4 Data Analysis

The nature of the data collected was qualitative on the basis of the factors highlighted. Data was analyzed using the content analysis. The interview guide was edited for completeness and consistency. The data was analyzed by looking at the strategies used and how they are performing in the Ministry. The performance of the strategies was evaluated basing on the challenges that they are meant to respond to. The impact of the strategies to the performance of the Ministry under review was analyzed to establish the challenges posed. The results were tabulated for ease of comparison and interpretation of the findings.
CHAPTER FOUR:
FINDINGS AND ANALYSIS

4.1 Introduction

The primary data was collected from ten (10) respondents, comprising Permanent Secretary, The Works Secretary, The Chief Architect, The Chief Quantity Surveyor, The Chief Engineer Structural, Chief Mechanical Engineer, The head of ICT, head of human resource, head of finance and the head of administration. The key challenges posed by competition, technological and government policy changes identified by the respondents are qualitatively analyzed for in-depth understanding to determine their nature and the general picture of the impact they pose on the Ministry, and the Ministry’s responses to the challenges are qualitatively analyzed and interpreted as strategic responses. The data was collected using open ended interview guide to gather general information about the respondents. This was analyzed through frequencies and percentages.

4.1.1 Current ranking in the Ministry

According to the findings in Table 1, it can be noted that it was only the Permanent Secretary, The Works Secretary whose response was not captured as most of the time they were held in meetings. However the rest of the departments listed for interview guide were interviewed. This is considered as a very high representation of the Ministry of Public Works and therefore an indication of the reliability and validity of the data findings.
Table 1: Respondents Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Secretary</td>
<td>0</td>
</tr>
<tr>
<td>The Works Secretary</td>
<td>0</td>
</tr>
<tr>
<td>The Chief Architect</td>
<td>1</td>
</tr>
<tr>
<td>Chief Quantity Surveyor</td>
<td>1</td>
</tr>
<tr>
<td>Chief Engineer Structural</td>
<td>1</td>
</tr>
<tr>
<td>Chief Mechanical Engineer</td>
<td>1</td>
</tr>
<tr>
<td>The Head of ICT</td>
<td>1</td>
</tr>
<tr>
<td>The Head of Human Resource</td>
<td>1</td>
</tr>
<tr>
<td>Head of Finance</td>
<td>1</td>
</tr>
<tr>
<td>Head of Administration</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
</tr>
</tbody>
</table>

4.1.2 Duration Respondents has worked in the Department

According to the findings in Table 2, 25% of the respondents had worked less than 5 years, 37.5% had worked between 6 – 10 years, 25% had worked between 11 – 15 years while 12.5% had worked between 15 – 20 years, giving us an indication that most of the respondents have worked over 6 years. They therefore have a very good understanding of the operations of the Ministry of Public Works and hence reliability of the data findings.

Table 2: Distribution of respondents has worked in the Department

<table>
<thead>
<tr>
<th>Duration of Years worked</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>6-10</td>
<td>3</td>
<td>37.5</td>
</tr>
<tr>
<td>11-15</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>15 - 20</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2 RESPONSES TO CHALLENGES FACING MINISTRY OF PUBLIC WORKS

4.2.1 Competition

Competition was perceived to have high impact to the Ministry’s operation. This was attributed to the other governmental ministries such as Ministry of Housing, Ministry of Defence and Ministry of Local Government who offer similar services to other Government agencies. Their involvement has made the Ministry not fully utilize their potential and to offer their services to the other ministries and the public. The technical staffs of the Ministry are not fully exploited due to sharing of the responsibilities with other Governmental Ministries and some private sector firms providing same services.

The other key competition challenges identified by the respondents are:- lack of level playing field created by the government policy changes and services introduced by other Ministries and some multinational corporations; the threat of entry of new competitors; and the changing customer needs and wants. The impact these challenges pose in the market lead to rapid rollout of new products and services, sub-standard work, difficult in monitoring and evaluation of work from the start to the end; price reductions and promotional wars, and now the competition has resulted in rapid growth, rapid capacity extension, changing organizational structures, and shortage of skilled and experienced employees who seek either transfers to other ministries or employment in private sector.

In order to increase and maintain the market share the Ministry of Public Works has embarked on a marketing strategy to increase its presence in providing services to other government ministries. This has been through full participation in the Nairobi International Trade Fare, the Public Service Week and The Kenya Buildings Expo where all works and services provided by the ministry are displayed for the public to see. The Ministry is also giving Press briefing on key policy issues being addressed and has established a Public Communication Office to publicize activities of the ministry through publication of ministry’s magazine.
In regard to threat from new entrants the respondents indicated the ministry responds to unified license challenge by continuous monitoring the potential entrants and analysis their competencies, compelling the ministry to strategically increase the level of investment to diversify and differentiate its products. The Ministry also carries out detailed consumer research and market segmentation, as a strategic response. Some respondent identified the need for fast tracking of new services development while ensuring that functionality and risks are well managed as an effective strategic response. The respondents further stated that Implementation of cross functional teams is a critical key success factor but the cross-divisional cooperation is lacking in the Ministry.

4.2.2 Information, Communication and Technology
The respondents agreed that the ministry has not fully computerized and networked its operation outlets and offices in all offices countrywide leading to delay in information delivery. The respondents further argued that; there is low use of technology at various operational points, the other Ministry department reluctance to use computers and ICT, significant number of staff are untrained in ICT, little effort by the ministry chiefs in formal staff training on computers/ICT among others has led to lack of on time data delivery. The respondents also argued that the ministry is too slow in resourcing new technology with greater performance hence making the technology in place obsolete. Some respondents identified the rapid global technological evolution is a key challenge as new technologies are rapidly being introduced in the market on global basis; the technology innovation in the ministry; the rapid capacity expansion that requires costly technology solution; and training to acquire the necessary skills; and lack of supporting infrastructures as, roads and electricity in the rural areas.

The respondents indicated that evolution of the use of optical fibre technology to meet the capacity growth requires more investment in infrastructures and development of skills by specialized training or acquisition of new skilled personnel. The rapid technology evolution often results in technology obsolescence, rendering some of the equipment unusable before full lifespan-before returns on investments are achieved.
The respondents observed that as far as technology was concerned, the ministry was struggling, and could barely meet its desired position of ensuring a computer for every key office. The respondents recognized that technological resources were crucial for success of the ministry service delivery, as sufficient technology ensured efficiency and effectiveness and fulfillment of most of the objectives stipulated in the ministry's strategic plan. The respondents therefore, observed that insufficiency of technology, particularly, information communication.

The lack of electricity supply and access roads makes it very costly in extending services to rural areas and in operations and maintenance activities. There are 50% of the offices countrywide in places with no power at all out of the total sites countrywide, and the frequent power failures accounts for 75% of the overall system failures in the network, resulting in long time outages, that increases the fuel consumptions by diesel engine generator sets for running the stations. The organization is quite innovative as the respondents identified that minimizing the costs as challenge requiring outsourcing of certain services as distribution, and cutting cost by technology innovation. Some respondents identified the need to adapt to technology that is not sophisticated, more relevant to the local market and cheaper to deploy, and the need of developing local technology solution options instead of relying on global vendors; by adapting the technology solutions to the local environment using the local resources.

The Ministry employs consultancy services as short-term solution, though the cost of hiring consultants is very high as compared to sourcing from the local market, generally at a ratio of 1:10. The cost of training and development is reduced by including training service in equipment supply contracts and use of workshops and internal training by vendors to provide technology focused training, to fully exploit the existing resources. The Ministry provides to employees on the job training, by using the equipment vendors and attachment to other partner Ministries which have developed in the new technology, sponsorships to training institutions outside the country, and support to attend global and regional forums. The ministry offers training opportunities to the management team in technology and innovations to close the technology myopia gap, and training the
customer care personnel on education of customers on the applications of new product innovations. The respondents stated that the rapid upgrading of the IT business systems requires continuous training of the staff and hiring new employees as well. Subsequently, the ministry of Public Works has embarked on an IT Modernization Programme which has seen complete networking of the ministries headquarters, and connection to Treasury. The respondents argued that there is now a complete integration of ICT into all ministry’s programmes. An effort is also being made to network all Provincial headquarters and Districts for faster information flow and documentation of projects. All ministry’s staff at the headquarter have access to the internet and the number of computers has greatly increased. A digitization programme has been put in place to convert all drawings to a digital format for ease of storage and use. There is lastly the introduction of Integrated Financial Management Information System in the Ministry to speed up payments to contractors and other merchants.

4.2.3 The Government Policy Challenges

The key government policy challenges identified by some of the respondents are: impartial and uncertain policy changes; Compliance with imagined regulatory and statutory requirements; further liberalization and privatization in the industry, price and quality regulations; lack of radio spectrum for expansion and technology innovation. The changing environment management policy, the yet fully implemented labor laws, the government policy on health services, and worsening insecurity in the country, were identified as key challenges as well. In response to Government Policy challenges, the Ministry implements all the policies that are formulated to avoid denial of funds from treasury. The respondents noted that the Ministry has installed advanced radio spectrum to enable easy communication. The respondents agreed that the Ministry has implemented to the letter the labour laws amended 2007 to motivate the employees. On the quality regulations, the Ministry continues training and developing the staff on new skills and performance.
4.2.4 Political
The respondents agreed that the political instability realized as a result of Post Election Violence of 2007 has continued to impact the Ministry’s service delivery in the areas that were prone to violence. The respondents argued that unruly and outlawed sects have in some occasion paralyzed service delivery. The study findings further revealed that political paralysis arising from political coalition, lack of political will and stability, general inadequate security affecting Members’ productivity, possibility of escalating tension with our neighboring countries, skewed allocation of financial resources by Treasury, political interferences due to vested interests and impact of Constitution review (for instance Majimbo, land policies) affect the operation of the Ministry. In response to the above, the ministry has prioritized the projects to be funded and has put in place a monitoring and Evaluation department that try to ensure quality and timely completion within cost. Through the planning department, the ministry has had to timely forward their budgets on time to Treasury for allocation of funds hence speed up service delivery. The respondents also agreed that the ministry supports and take directives of the government in place. In areas prone to insecurity, the respondents noted that the Ministry arranges in time with the Department of Internal Security to provide security to their clients and staff. The Ministry also to encourage the employment of the local people for the non-skilled labour to provide labour for the projects within their regions.

4.2.5 Social Economic
The respondents argued that social vices such as ignorance, negative attitude, Positive Change in Consumer behaviour, nepotism leading to poor performance of staff, urbanization leading to change of lifestyles, & population migration, decay of Social values impacting youths and community, corruption that hamper service delivery, complacency leading to low production, impeding developments, negative impact of HIV/ AIDS epidemic and increased land segmentation due to population pressure affect the ministry’s operations. In response to above social problems, the Ministry is developing HR policy stipulating that all non skilled labour force comes from locals and the Ministry gets staff from centralized recruitment done by Ministry of Public Service. The other technical staffs where the Ministry is required to hire direct, it uses competitive
bidding. Likewise the respondents further argued that the Ministry has a strong HR policy which is being implemented fully. This has helped to minimize job turnover by skilled manpower.

The respondents observed that global economic recession, inflation factors leading to decline in purchasing power, cut-throat competition from existing and upcoming processors, high interest rates derived from domestic borrowing and the ever changing government policies and legislations have impacted the operation of the Ministry. The Global financial crunch has led to donors cut the funding of some projects. The respondents noted that the ministry has responded by sourcing only equipment/Machinery that has longer lifespan. The respondents also argued that to overcome economic hardship experienced in Kenya, the ministry has prioritized the projects to be done on availability of funds from treasury.

4.2.6 Environmental

The respondents cited changing Government policies and regulations, slow and long litigation processes, impact of constitution review, negative and inadequate legal framework and policy framework as some of legal environment posing challenge to the ministry operation. They further indicated that natural catastrophes such as land slides, land tremors, Tsunami, Elnino; political interference on set environmental policies e.g encroachment on forests, land, water towers; pollution such as soil, water and air impact service delivery of the ministry. In response to the above, the respondents agreed that the ministry works closely with the community and test all the materials to be used to ensure completion of safe buildings. The Ministry also takes the feasibility study of the regions and recommends to the contractors the appropriate materials to use.

4.2.7 Human Resource and Organizational Structure

Some respondents identified shortage and retention of skilled personnel as a key challenge, particularly university graduates, as private sector tent to provide better offers. Some respondents identified the rapid organizational structure changes to match the
growth often surpasses the projected plans. There exists a policy to train and develop talented personnel with potential competencies for succession at various management levels, but number of talented personnel is inadequate. The organizational structure is not strictly following its strategy due to rapid growth. The respondents further indicated the organization uses task forces and cross-functional teams for implementation of projects, and operational activities which require different talents and skills.

Some respondents identified shortage and retention of skilled personnel as a key challenge, particularly university graduates who are targeted by private sector offering better package. The respondents indicated that the organization endeavors to apply best practices in reward and motivation of staff to control turnover. The ministry regularly reviews employee incentives and rewards to maintain competitive compensation packages. The basic salaries and allowances, and the medical cover, are benchmarked with offers provided by leading and best paying private sector in the country and in the region, and economic factors such as inflation rate are considered. The ministry practices performance based reward system and has policies for: staff recruitment, job placement, and employee motivation; training and development, and career progression. Performance reviews are carried out annually and the Ministry can therefore be viewed as having incorporated effective human resource management practices in its strategic and operational responses to meet the individual and organization needs.

The respondents identified the need for cooperation and coordination of the activities as fundamental to strategy implementation in the ministry to meet external and internal growth; and the need to improve working relationships between functional departments of communication, technology, planning and corporate strategy to match demand for expansion for delivery of quality services. The technical departments needs to work closely with each other to identify and assess the customer needs, and with all the user departments to identify and assess their needs for IT business support system. . Work is in progress to improve documentation and implementation of ISO 9000 specification and standardization of the processes ministry wide.
Lastly the respondents noted that the ministry is embarking on a restructuring programme to establish regions throughout the country, where project teams handling several districts can be based. The establishment has also been increased to have more senior personnel at the regions. The ministry is also spearheading the formation of a National Construction Authority to oversee the regulation and control of the construction industry. The authority will also monitor capacity and performance of the contractors. The Ministry is also embarking on construction industry development policy and also formulating a public facilities improvement programme to promote efficiency and effectiveness in service delivery.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The research was carried out at the Ministry at the Head Quarters Nairobi. This chapter gives a summary, conclusions and recommendations drawn from the study. The chapter also covers the limitations of the study, recommendations for further research, and recommendations for policy and practice.

5.2 Summary
This research was designed with the purpose of establishing strategic responses of Public Works to the challenges of The Vision 2030. The most notable challenges are; competition, Climate Change, The Government Policy, Information, Communication and Technology, political, social, Economic, environmental and legal environment and Human Resource and organization structure challenges. The study found out that the challenges Ministry of Public Works is facing as a result of increased turbulence has been responded to by adapting the formation of a National Construction Authority to oversee the regulation and control of the construction industry; developing product differentiation, aggressive promotion of the services the ministry offers in various forums, training and developing manpower skills on new technology. The Ministry also supports all the time the programmes and policies put in place by new Government; and regularly reviews employee incentives and rewards to maintain competitive compensation packages and also carries out detailed consumer research as a strategic response. The Government should therefore remove all the structures that hinder the development of the Ministry. At the same time the Government must maintain a supervisory role in the activities of Ministry, as it is an important one in the economic development of the country generally and the infrastructure sector in particular. The Government needs to also increase the financial allocation to the ministry to enable it increase its service delivery.
5.3 Limitations of the study

There seems to have been two main challenges during the study. According to the respondents the subject of study required them to share information that others considered confidential and for this reason some respondents were suspicious about the motive of the researcher given that there is apparently some mistrust within the Ministry. On the other hand, the same respondents claimed to be “tired of being interviewed”, the Ministry of Public Works seems to be attracting a sizeable number of researchers in different disciplines. The other factors that posed as constraints to the study are: time factor - this made the study limited in its depth and scope; secondly, the study solicited only views of top managerial employees of the Ministry and this posed a major problem as non managerial staff are policy implementers knowing most of practices; Thirdly is the fact that the respondents in their different situations may give biased information and that their feelings may change overtime. Lastly, the study looked at a single Ministry and only at the Headquarter of The Ministry of Public Works – Nairobi and therefore may not necessary be applicable to other ministries and at ministry’s regional offices.

5.4 Recommendation for Policy and Practice

The study is valuable to the managers of Ministry of Public Works. The findings of the study show that there are several environmental changes that are facing the Ministry and it has put up various strategies to counter the waves especially those posed by technological changes in the industry. The study recommends that managers be on the lookout for any possible factor that has an implication on operations of the ministry and respond appropriately. So far, the response strategies have been successful but more needs to be done so as to maintain the status of the Ministry in both the country and globally.

5.5 Areas for Further Research

The study concentrated on response strategies that the Ministry has adopted to counter the challenges of The Vision 2030. One major strategy that the Ministry has employed and find useful is the advertising and marketing strategy. A lot of resources in terms of monetary value and physical resources have been employed to promote the services of
the Ministry of Public Works. The cost of marketing has been increasing over the years but more research needs to be done to determine what effect the increased promotional campaigns have had on the performance of the Ministry. The contribution of marketing strategy to the overall performance of Ministry of Public Works should be explored.

Another area that needs further research is whether the new and innovative services Ministry of Public Works is introducing into the market are sustainable in the near future. With the increasing competition from other Ministries offering similar services, more studies should be done to find out if the services Ministry of Public Works is offering will be sustainable and will be able to maintain customer loyalty. There is also need of future research to consider looking at the effect of the continuous change of advanced and high performing technology has on the ministry. Lastly future research should carry out a survey on strategic responses of Ministry’s regional offices countrywide to the challenges of The Vision 2030.
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APPENDIX I

INTERVIEW GUIDE

The following are issues to be tackled by the respective respondents in the Ministry of Public Works.

Section A; Demographic information

1. What position do you hold in the Ministry?

2. How long have you been working in the Ministry?

Section B; Challenges Facing Ministry of Public Works

1. What are some of the changes that have taken place within the last ten years in the business environment, which have affected the Ministry?

2. What challenges have these changes posed to the Ministry?

3. What are some of the severe challenges posed by environment to the ministry of Public Works to align to the vision 2030?
4. How has the Ministry responded to the above environmental changes?

Section C; Response strategies

1) Restructuring

i) What are some of the corporate restructuring taken place at Ministry in the last 5 years?

ii) What were the objectives of the restructuring process?

iii) How was the process of restructuring undertaken?
iv) Please indicate the challenges that were faced by the Ministry during restructuring.

v) To what extent have the objectives for restructuring at Ministry been met?

vi) What is the current status of the restructuring exercise?

2) Marketing

i) What are some of the changes in marketing that the Ministry has adopted in the last 5 years?

ii) What were the objectives of the Ministry changes?

iii) How were these changes effected?
iv) Please indicate the challenges faced by the Ministry while making these changes.

v) What is the current status of the marketing responses by Ministry to its changing towards aligning to vision 2030?

3) Information Technology (IT)
   i) What are some of the nature of changes in IT that has taken place in the Ministry in the last 5 years that align to vision 2030?
   
   ii) What were the objectives of the IT changes?

   iii) How were these changes effected?

   iv) Please indicate the challenges faced by Ministry while making these changes.
v) What is the current status of the IT responses by Ministry towards aligning to vision 2030?

4) Culture Change

i) Have there been changes in the culture of the Ministry?

ii) What were the objectives of these cultural changes?

iii) How were these changes effected?

iv) Please indicate the challenges faced by the Ministry while making these changes.

v) What is the current status of the process of the culture change at?

5) Other Responses

i) Please state any other responses that the Ministry has made to align to the vision 2030.
ii) How have these responses been effected?

iii) Please indicate the challenges faced by the Ministry while aligning to vision 2030 as it develops and/or implements such responses.

iv) What is the current status of these responses by the Ministry towards positioning itself to vision 2030?

Section D; Strategic Fit

1. What strategic responses has the Ministry adopted to make its alignment to vision 2030 adequate?

2. In your assessment, does Ministry of public works currently possess the necessary capability to adopt aggressive strategies to align to vision 2030?