EFFECTS OF STRATEGIC PLAN IMPLEMENTATION ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF NAKURU WATER AND SANITATION SERVICES COMPANY (NAWASSCO)

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DECLARATION

This project is my original work and has not been presented for a degree in any other University or institution of higher learning.

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DEDICATION

I dedicate this research project to my lovely children, Zawadi and O'Neal and my mum Mweru who is undergoing treatment for cervical cancer. Their presence and support gave me the strength to press on even when the end seemed uncertain

ABSTRACT

The purpose of the study is to establish the effects of strategic implementation on organizational performance: a case study of Nakuru Water and Sanitation Services Company Limited. The specific objectives were to analyze the effects of leadership, structures, resource, policies and procedures on organizational performance and to measure the combined contribution of four factors (leadership, structure, policies and procedures, and resources) on organizational performance. This study employed a cross sectional survey design and used a structured questionnaire to gather data from both the management and employees of NAWASSCO. A sample of 115 employees was selected from the population of NAWASSCO using stratified random sampling technique, Mugenda and Mugenda (2003). Data were collected using structured questionnaires. Both descriptive statistics (means, modes, standard deviation) and inferential statistics (regression analysis and correlation analysis) were used in analyzing the data. The hypothesis that leadership influences organizational performance was found to have no significant effect on the organization performance of NAWASSCO. Both structure and policies and procedures were found to have significant positive influence on organization performance, while policies and procedures generally had stronger effects than structure. Resource allocation was found to have insignificant but positive effect on organizational performance. The recommendations are that NAWASSCO should undertake more leadership development activities among its staff; simplify its hierarchy structures to ensure easier information flows, more collaboration among the personnel, and teamwork; undertake policy modifications and revision of procedure manual geared towards devolving decision making and authority to staff at all levels so that they feel empowered to act in areas of their expertise for the benefit of the organization as a whole, and provide strict resource allocation accountability measures for its staff. Also to ensure resource allocations are thoroughly vetted and monitored. The areas for further research include a comparative study between a public enterprise and a private enterprise to find out best practices that can be incorporated in the other sector, as needed.

Keywords: strategy, strategic implementation, formulation, organization performance, strategic planning process,

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LIST OF ABBREVIATIONS

BSC-Balance Score Card

ERS-Economic Recovery Strategy

HR- Human Resource

ICT-Information Communication Technology

NAWASSCO-Nakuru Water & Sewerage Company

NBS-National Bureau of Statistics

PSR&PC-Public Sector Reform & Performance Contracting

O.O.P-Office of the President

O.P.M-Office of the Prime Minister

UNDP-United Nation Development Program

WASREB-Water Service Regulatory Board

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue a strategy (Thompson and Strickland, 2004). In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action, According to McNamara (2005), strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not.

Strategic planning as a management tool has gained sustained prominence in the management of public services in the past two decades. It helps an organization focus its energy its objectives. It also ensures that members of the organization are working toward the same goals in order to assess and adjust the organization's direction in response to a changing environment (Thompson and Strickland, 2004). It is viewed as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future strategic planning. It has been touted as one of the effective management tools in strengthening organization performance through effective decision making and systematic strategic planning formulation and implementation. According to Smith, (1994) Strategic planning is an effective management tool in transforming a bureaucratic public sector to a more responsive and innovative administration.

According to Robert and Duncan (2007), strategic planning gives overall direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. Strategic planning betters decisions making. Information communicated through vision and strategy allows people to make the best decisions in hiring and rewarding the right people, adopting and developing the right systems, and making the right investment decisions. In addition, strategic planning increases energy resulting from rallying behind a cause, and elimination of conflict and confusion of priorities. It also improves customer satisfaction; a true test of value and leads to higher retention and growth. As a result, good planning leads to competitive advantage in doing what you do better than others. It will also lead to better decision making, uncovering the enormous intellectual and creative capacity of an organization that collectively works toward solutions rather than relying on selected few. Over time, good planning will lead to market recognition such that a person can “own” a position and space in the marketplace. This greatly enhances the chance of success (Balance Scorecard Institute, 2002).

The issue of firm performance has been central in strategy research and encompasses most other questions that have been raised in the field. For instance, why firms differ, how they behave, how they choose strategies and how they are managed (Porter, 1991). The last three decades have witnessed the proliferation of scholarly debates, business interest and studies regarding the role of strategic planning in the achievement of sustainable competitive advantage (SCA) and organizational performance. Organizations are downsizing, rightsizing, re-engineering, and re-inventing them. Change theories and models abound, each seeking to direct organizations along the path to successful change. However, these efforts are yet to provide sound conceptual, theoretical, and empirical underpinnings in the field of strategy literature and practice, a phenomenon that is considered to be undermining the status of the strategy field (Maholtra & Hinings, 2005). Interestingly, the spread of theoretical perspectives through which change has been studied in organizational settings has appeared to add to (rather than resolve) the confusion and complexity surrounding the concept and critics have questioned the value of the strategic programs being heralded as sources of competitive advantage.

Strategic planning provides an organization with consistency of actions and ensures that organizational units are functioning towards the same objectives and purpose. This enhances organizational good performance. In the public sector, strategic planning has been developing gradually. Public service reforms in Kenya started immediately after independence with the sessional paper No. 10 of 1965 on *Africa socialism and its application to planning in Kenya* outlining the first institutional framework for reforms. The reforms were aimed at addressing the challenges that faced the Government at the time; diseases, poverty and illiteracy. The main focus was on Africanization of the public service, land reforms among others, with the objective of improving service delivery and performance. Other reforms were later introduced focusing on performance improvement and remuneration for better service delivery.

According to the World Bank Group’s (2007) country assessment report, the quality of service in the Kenya public sector was very low prior to 2003 due to inadequate accountability and responsibility, as well as poor governance. Poor management of the public assets led to almost total collapse of infrastructure, decline in productivity and an increase in poverty (close to 56 percent of the population were living with incomes of less than US$2 per day) (Kenya National Bureau of Statistics, 2006). Some public servants would also not attend to their duties diligently and it was common to find members of the public waiting to be served while there was no one in the office. The poor service delivery was also due to unclear direction and non-existent strategic plans. Where plans were present, there was no effective implementation and monitoring system. The lack of accountability was caused by an organizational culture characterized by negative values among staff (Republic of Kenya, 2003a; 2004; 2006).

Strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise (Balance Scorecard Institute, 2002). Public organizations are increasingly being required to embrace Strategic Planning as part of their management techniques (Bovaird, 2009). An organization without a strategy appears to be directionless and wasteful. It is important to note that the use of strategic planning when public organizations are considered to be underperforming and uneconomical is critical. The general view of the public has been that public managers must do more with less, the situation that requires strategic thinking in order to reduce wastage. The popular adage “Failing to plan is planning to fail” from Lakein (2005), the popular author on time management, is a reminder that many of the day-to-day operational struggles we face in organizational life had their seeds sown in the past, when we failed to think ahead.

According to Thompson and Strickland (2003), implementation is an integral component of strategic management process and it is viewed as the process that turns the formulated strategy into series of action and the result ensure the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. Implementing your strategic plan is as important, or even more important, than your strategy. The critical actions move a strategic plan from a document that sits on the shelf to actions that drive business growth. Sadly, the majority of companies who have strategic plans fail to implement them. According to a Fortune cover story (1999), nine out of ten organizations fail to implement their strategic plan for many reasons. Approximately 60% of organizations do not link strategy to budgeting, 75% of organizations do not link employee incentives to strategy, 86% of business owners and managers spend less than one hour per month discussing strategy, 95% of a typical workforce doesn't understand their organization's strategy Implementation of strategy.

According to Bhasin (2009), implementation is the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration of people, structure, processes and resources in achieving organizational objectives**.** A strategic plan provides a business with the roadmap it needs to pursue a specific strategic direction and set of performance goals, deliver customer value, and be successful. However, this is just a plan, it doesn't guarantee that the desired performance is reached any more than having a roadmap guarantees the traveler arrives at the desired destination.

Doherty and Horne (2002), claim that there are ten assumptions about the context in which public service managers need to exercise their thinking and conversational skills. Public services depend on functional competence of managers in managing several issues, namely; resistance to change, operations and activities, finance and resources, information and communication, learning and personal development, human resources, strategic planning, organizational development in context of learning organizational model leadership in context of new public management approach and finally, knowledge management and active knowledge transfer within organizational learning processes of public organizations (Daft and Marci, 2004).

1.1.1 Nakuru Water and Sewerage Company (NAWASSCO)

NAWASSCO is a water and sanitation service provider in Nakuru. These services were previously offered by the Water and Sewerage Department of the Nakuru Municipal Council. Nakuru Water Company formation arose from the enactment of the water act of 2002 which privatized all water departments of Municipal Councils in Kenya into private Companies to manage water resources in the country, due to this act all the assets of Nakuru Water department were transferred to NAWASSCO and new competent and qualified employees were recruited competitively the new organization commenced its operation in 2004. Under the new act water service was licensed by Water Service Board, and a water service provider was to provide services to retail customers. In this case, NAWASSCO has been appointed by Rift Valley Water

Service Board to provide Water and Sewerage services to the residents of Nakuru and its environs.

The company is engaged purely in providing water and sewerage services to the residents of Nakuru. NAWASSCO is a subsidiary of the Nakuru Municipal Council but the Company however has operational autonomy to enable it to run efficiently and without interference. The company has an independent board of 8 directors drawn from private sector organization, professional bodies, NGO’s and the Municipal Council. It is divided into four semi-autonomous zones which are; Western zone, Southern zone, Eastern and Northern zone. This division helps in ease functioning of its operation and prompt service delivery to customers. It has got three departments, this are Finance and administration, Technical, and Commercial that are responsible for day to day running of the organization. They have a strategic plan running from 2008-2012 that states it’s Mission, Vision, Strategic objectives and corporate values that will help them achieve their set goals. The main objective of NAWASSCO is to satisfy all their customers with water and sewerage services (Maji Data, 2009).

NAWASSCO launched a strategic plan for (2008-2012) with an aim of positioning itself as the leading water service provider in the country; the plan recognized customers as their most important stakeholders. Its mission was provision of quality, reliable, affordable, sustainable water and sanitation services in a customer oriented environment through a motivated workforce. Its core values were customer service, professionalism, integrity, innovation, and reliability. The strategic plan goals were provision of clean water to all household that were already connected. Water was going to be available to all residents daily hence there would be no more water rationing. The strategic plan had set to ensure that 70% of town was going be connected to the water grid and connect 40% of town residents to the sewerage services line. It had set to build dynamic learning organization with competent and skilled personnel, replacing the old colonial water line with new pipes. It had set to drill 32 new boreholes and commissioning of 3 dams, connection of 70 new accounts every month. These were the goals that NAWASSCO had set to implement by 2012 (NAWASSCO, 2008)

1.2 Statement of the Problem

Strategic plan implementation involves translation of chosen strategy into organizational action and its proper implementation should lead to success in achieving set objectives. NAWASSCO is a monopolistic water utility public company that is charged with provision of water service to the residence of Nakuru town. It has set goals and targets that it envisioned to achieve by the end of strategic plan period. Its main goal was geared towards provision of quality, sufficient and reliable water supply services to the people of Nakuru town. According to Water Service Regulatory Board (WASREB) review report 2011, NAWASSCO is far from realizing its set goals and objectives while the strategic plan period is coming to an end. According to WASREB, a water service provider's monitor and regulatory agency review report of 2011, NAWASSCO is lagging behind in implementation of their set goals. The audit report shows that water rationing is still rampant in Nakuru town and the town residents do not have water service on a daily basis. 40% of households in the town are not yet connected to the water although they have already applied to be connected. Only 9% of connection done annually instead of the required 15%. Sewerage services are not yet expanded since only 20% of residents are connected to the sewerage line instead of the 40% that was envisioned. Only 19 boreholes and 1 dam were commissioned instead of 32 boreholes and 3 Dams that they were expected to be done (WASREB review report 2011). This is not sufficient in meeting the demands of the ever expanding town population. NAWASSCO is yet to replace the ageing waterlines and new water specialists have not been hired. NAWASSCO still depends on government attached specialist and it appears that NAWASSCO has had serious problem in implementing the strategic plan. It is not yet understood how the key components of strategic implementation including leadership, organization structure, resources allocation functional policies and procedures are responsible for unsatisfactory performance.

The study therefore seeks to establish the extent to which leadership, organization structure, resource allocation, functional policies and procedures have influenced NAWASSCO's performance judged by service delivery as stated in the strategic plan 2008-2012.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of this study is to evaluate how different strategic plan implementation factors influenced organization performance at NAWASSCO.

1.3.2 Specific Objectives

i. To analyze the extent to which leadership with respect to strategic implementation has influenced organizational performance.

ii. To examine the extent to which organizational structures with respect to strategic implementation has influenced organizational performance.
iii. To investigate the extent to which policies and procedures with respect to strategic implementation has influenced organizational performance.
iv. To establish the extent to which resources allocation with respect to strategic implementation has influenced organizational performance.

1.4 Research Hypothesis

Ho_1 Leadership has no significant influence on organizational performance.

Ho_2 The organization structure has no significant influence on the organizational performance.

Ho_3 Policies and procedures have no significant influence on organizational performance.

Ho_4 Resources have no significant influence on organizational performance.

1.5 Significance of the Study

It is hoped that the study will yield information that may be useful for future proper planning and decision making in NAWASSCO to improve competence and meet their objective of increasing water provision and customer satisfaction in Nakuru town and most importantly, achieving vision 2030 dream of water provision for all in the republic. The findings and recommendations of the study may also be useful to the management and directors of parastatals. This will assist them not to rely on haphazard personal experience or subjective expert judgment or on tradition or fashion in their management tasks but base their methods, decision and actions on concrete knowledge of issues of their strategy implementation supported by the findings. The researcher hopes that the study will form a basis for further research on how to enhance the competence of not only NAWASSCO but other organizations. This may lead to the generation of new ideas for better and more efficient management of parastatals and other organizations in Kenya and globally.

1.6 Limitation of the Study

The findings in this study may not be generalised because data was collected from one sector of the service industry in one country. More studies are required before general conclusions can be drawn. It will also be difficult to know how honest the respondents were in their responses. To mitigate this, validity and reliability of the instrument used was determined to see that they met the required standard.

1.7 Operational Definition of Terms

Strategy

Strategy means the direction and scope of public sector over the long-term through its configuration of resources within a changing environment to meet the needs of the markets and to fulfill stockholder's expectations (Johnson and Scholes, 2003).

In the context of the study, strategy means the courses of action adopted by Nawassco including the allocation of resources necessary for carrying out its goals

Strategic Plan

Refers to the viable adopted direction that lead to satisfactory performance within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations

In the context of the study, Strategic plan refers to the 2008 to 2012 strategic plans that guided NAWASSCO in refocusing on its mandate through directing the necessary and available resources in realizing its goals.

Strategic planning process

A systematic, formally documented process for deciding the important key decisions that an organization views as a corporate whole in order to thrive over the next few years. Strategic planning determines where an organization is going over the next year or more (McNamara , 2005).

In the context of the study, strategic planning process refers to a number of well-defined steps carried out in sequence including data collection and analysis, strategy development, evaluation, selection and implementation of Nawassco's strategic plan.

Organizational structure

Organizational structure is a system used to define a hierarchy, allocate tasks, coordinate, decision making within an organization. According to Jennette (2006), organizational structure refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met.

According to the study, organization structure refer to the formal allocation of work roles and the administrative mechanisms to control and integrate work activities including those that cross formal organizational boundaries at Nawassco.

Functional policies and procedures

A set of policies are principles, rules, and guidelines formulated or adopted by an organization to reach its long-term goals and typically published in a booklet or other form that is widely accessible it shows organization decisions, measurement, benchmarking and documentation of organization procedures (Wolosz, 2007).

The study defines functional policies and procedures as directives and instructions designed by top management of Nawassco and parent ministry to strategy implementation.

Leadership

The ability to anticipate, envision and maintains flexibility to empower others to create strategic change necessary (Avolio, 2005). Strategic leadership basically means using strategy in the management of workers by motivating, directing, innovating and communicating with employees in order to achieve certain organization goals.

The study definition of leadership is that it involves inspiring employees of Nawassco to a shared vision of the organization, thereby ensuring all employees contribute to strategy implementation.

Resource Allocation

Resource allocation is the process of determining the best way to utilize the available assets in an organization in the accomplishment of organizational goals (Derek, 2003). It involves budgeting financial planning, utilization organization available resources.

According to the study, resource allocation refers to how resources, including human resources, finances, capital and informational resources are divided among the various departments of the organization to help with strategy implementation.

Organization Performance

Organization performance refers to the effectiveness of the organization in fulfilling its set goals (Porter, 2003). Organization performance is the efficiency that is derived by an organization in terms of delivery of service i.e. customer satisfaction, efficiency, customer satisfaction, improvement of procurement procedures.

According to the study, organization performance refers to the achievement of the strategic objectives of Nawassco, including customer satisfaction, financial results, meeting water demands among others.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter examines the literature to develop a framework for this study. It is organized under the following subheadings: Concept of strategy, the levels and nature of strategy, Importance of strategic management; strategic management and public sector reforms in Kenya; Strategic management process in Kenya; the challenges of strategic planning and implementation. Finally, the chapter gives a summary and highlights gaps on issues raised and issues reviewed as well as the conceptual framework of the study.

2.1.1 The Concept of Strategy

The major task of managers is to assure continued existence of their organizations (Aosa, 1992). To this end, one of the concepts that have been developed and is very useful to management is strategy. Various leading management scholars and practitioners have underscored the importance of this concept. Such scholars include Porter (1980), Mintzberg (1987) and Johnson and Scholes (1997) among others.

Chandler (1962) defines strategy as the determination of the basic long-term goals and objectives of an organization, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Chandler considers strategy as a means of establishing the purpose of an organization by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve the set goals and objectives. Strategy is viewed as building a defense against the competitive forces and finding positions in the industry where the forces are weakest (Porter, 1980). Knowledge of the company's capabilities and of the causes of the competitive forces will highlight the areas where the company should confront competition and where it should avoid. Strategies need to be considered not only in terms of the extent to which the existing resource capability of the organization is suited to opportunities but also in terms of the extent to which resources can be obtained and controlled to develop a strategy for the future.

Mintzberg (1987) proposed five definitions of strategy. To him strategy could be seen as plan, a ploy, a pattern, a position and a perspective. As a plan, strategy specifies a consciously intended course of action of an organization. The strategy is designed in advance of actions and is developed purposefully. As a ploy, strategy is seen as a maneuver to outwit competitors. As a pattern, strategy is seen as a pattern emerging in a stream of actions. Here strategy is seen as a consistency in behavior and the strategy develops in the absence of intentions. As a position, strategy is a means of locating an organization in its environment. And lastly, as a perspective, strategy consists of a position and of an ingrained way of perceiving the world. It gives an organization identity or a personality.

As evidenced in these varied definitions, none can be said to capture explicitly all the dimensions of strategy. Hax and Masluf, (1996) argue that the lack of a precise definition of strategy can be attributed to the fact that strategy is a multi dimensional concept in terms of content and substance which, embraces all critical activities of the organization providing it with a sense of unity, direction and purpose, as well as facilitating the necessary changes induced by its environment. Nevertheless, most authors in terms of definition emphasize on the essence and nature of strategy and agree that strategy is a unifying theme that gives coherence and direction to the actions and decisions of an organization.

2.1.2 The Levels and Nature of Strategy

There are basically three levels of strategy. These are corporate, business and functional (Pearce and Robinson, 1988). Corporate strategy is primarily concerned with identifying the set of different business a company is to be in i.e. the various businesses in which the company will compete. These may be businesses within the same industry or in a different industry. Strategy at this level also specifies how total corporate resources will be allocated among the various businesses that the company is involved in. Business level strategy focuses on how each business unit will compete in a particular industry, market or market segment. It addresses issues on how to develop and maintain a competitive edge in the market. The business unit management has to ensure the different functional activities are integrated in such a way as to achieve and maintain the desired competitive competence in the market (Pearce and Robinson, 1988). Finally, functional level strategy primarily focuses on achieving maximum use of resources to attain maximum resource productivity. It addresses issues regarding to the coordination and integration of activities within a single function.

A good strategy is one that has simple, consistent and long-term objectives. This involves the single mindedness of goals, unity of purpose and a long-term focus. A good strategy is similarly derived from a good understanding of the competitive environment through appreciating the dynamics of competition and the turbulence of the environment. The strategy should identify opportunities in the environment and exploit them as well as identifying threats and guarding the organization from them (Porter, 1980). For a strategy to be successful there ought to be an objective appraisal of the resources of an organization, which involves understanding strengths and exploiting them while understanding weaknesses and threats and protecting the organization against them. The strategy should also be effectively developed and implemented. This entails matching the strategy to the organizations structure, addressing issues of strategy and leadership, organizational culture, stakeholders' expectations and other internal organizational variables (Johnson and Scholes, 2002).

Strategic management therefore involves the planning, directing, organizing and controlling of a company's strategy-related decisions and actions (Thompson and Strickland, 2004). Management is dated back to period of industrial revolution. Many searches have been done by different management thinkers with an aim of trying to identify the best way of managing people and other resources in the organization. Accordingly, my study will focus on some of these factors, though focus will be on the execution of strategic planning and how it affects the performance of senior manager's i.e. the principals of public sector.

The management's role in the strategic performance of a company is to critically appraise and ultimately approve strategic action plans but rarely, if ever, to participate directly in the details of strategy-making. Since lead responsibility for crafting and implementing strategy falls to key managers, the chief strategic role of an organization's management is to see that the overall task of managing strategy is adequately done. Management normally reviews important strategic moves and officially approves the strategic plans – a procedure that makes the board ultimately responsible for the strategic actions taken (Pearce and Robinson, 2003).

2.1.3 The Importance of Strategy

Johnson and Scholes (1997) define strategy as the direction and scope of an organization over a long term through its configuration of resources within a changing environment to meet the needs of market and fulfill stakeholders' expectation. Strategy guides the organizations to superior performance through establishing competitive advantage and acting as a vehicle for communicating and coordinating activities and policies within the organization (Johnson &

Scholes, 2002). Strategy serves as a tool, which offers significant help for coping with environmental turbulence that often confronts organizations.

Grant (1998) points out that strategy is a fundamental framework through which an organization can simultaneously assert its vital continuity and facilitate its adaptation to the changing environment. It is one of the top management tools for coping with both external and internal changes. It is the match between organizations resources, skills, environmental opportunities and risks, and the purposes it wishes to accomplish. A good strategy is one that has simple, consistent and long-term objectives. This involves the single mindedness of goals, unity of purpose and long term focus.

Pearce and Robinson (1988) point out that strategy helps in providing long-term direction for an organization. This provides a perspective for the various diverse activities overtime, which enables organizations perform current activities at the same time viewing them in terms of their long term implications for the probable success of the organization. Similarly strategy helps companies to cope with change (Pearce and Robinson, 1988). Due to the constant changes in an organizations operating environment, companies needs strategy in order to respond to these changes at all time. Strategy can help to guide the pattern of responses of companies to changes taking place in their environment.

Strategy enables companies to focus their resources and effort (Pearce and Robinson, 1988). The development of strategy helps managers identify critical tasks that need to be performed and hence helping in defining an organizational strategic thrust. Strategy also helps an organization develop a competitive advantage in the market. This in turn enables the organization to outperform and outwit the competition successfully. Porter (1980) underscores the role of strategy by arguing that the goal of strategy is to help secure enduring competitive advantage over rivals. Strategy also guides organizations to superior performance through establishing competitive advantage and acting as a vehicle for communicating and coordinating activities and policies within the organization (Johnson and Scholes, 2002).

2.1.4 Strategic Planning Processes

An analysis of strategic planning literature (Byars, 1998; Van de waldt and Knipe, 1998; Strickland, 1998; Pearce and Robinson 2003; Kroon, 1995; Wheeler and Hunger 1992; Hussey, 1994) reveals that strategic planning is a process consisting of two phases, namely: Strategy formulation; and strategy implementation. Chan and Renee (2006) identified an additional level essential for strategy execution: the alignment of people behind a strategy; culture of trust; and commitment.

2.1.5 Strategy Formulation

Strategy formulation involves defining the business a firm is in, the ends it seeks, and the means it will use to accomplish those ends. The approach of strategy formulation is an improvement over that of traditional long-range planning. Strategy formulation combines a future oriented perspective with concern for the firm's internal and external environment. It includes formulating and social responsibility; determining the institutional mandate, selling organizational objectives, conducting an external and internal and internal analysis; developing strategies and implementing policy.

Developing strategies needs simultaneous assessment of the external environment and the organization's profile enables an organization to identify a range of possibly appealing interactive opportunities. These opportunities are possible avenues for improved service delivery. However, they must be screened through the criterion of the organization's mission to generate a set of possible and desired opportunities. This screening process results in the selection of options from which a strategic choice is made. The process is meant to provide the combination of long- term objectives and generic and grand strategic that

Thompson and Strickland (2003) argue that implementation is an integral component of strategic management process. They add further that it is viewed as the process that turns the formulated strategy into series of action and the result ensures the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. Implementing your strategic plan is as important, or even more important, than your strategy. The critical actions move a strategic plan from a document that sits on the shelf to actions that drive business growth. Sadly, the majority of companies who have strategic plans fail to implement them. According to a Fortune (1999), nine out of ten organizations fail to implement their strategic plan for many reasons. 60% of organizations do not link strategy to budgeting, 75% of organizations do not link employee incentives to strategy, 86% of business owners and managers spend less than one hour per month discussing strategy, 95% of a typical workforce does not understand their organization's strategy implementation.

Implementing of strategies is the second phase of the strategic management process. This is the implementation of the chosen strategy or strategies (Byars, 1992; Wheelmen and Hunger 1992; Thompson and Strickland 1998; and Joyce, 1999). In this phase, it is important for the organization to undertake an assessment for it to establish what will be needed for the implementation of the formulated strategy. This helps it to achieve the set performance criteria. They further point out that managing the process of implementing and executing strategy within the organization needs to be mainly a proactive administrative responsibility that includes the following primary aspects: Establishing capacities necessary to carry out the strategy successfully, developing budgets to allocate the needed resources into those internal activities critical to strategic success, establishing strategy-supportive policies and operating procedures that will guide managers and members to work exactly according to expectations created by the set strategy. Other important aspects include; motivating managers and members in ways that encourage them to pursue the identified objective actively and, if needed, adjust their responsibility to improve the requirements of successful strategy implementation, rewarding the achievement of managers and members, creating an organizational culture and work climate conducive to successful strategy implementation and execution. Of equal importance is the establishing of information, communication, and operating systems that enable the managers and members to carry out their strategic roles effectively, and introducing best practices and programmes for continuous improvement. Top management also needs to apply their internal leadership that is essential to drive implementation forward and to keep improving on how the strategy is being executed.

According to Byars, Rue, and Zahra (1996), it is important for an organization's role-players in the strategy implementation process to be competent and committed to the process.

The final phase of successful strategic management is the establishment of procedures for the effective evaluation and control of strategies throughout the implementation phase (Lumpkin, (2003). Strategy evaluation and control involves the following activities: establishing standard of performance for the overall organization as well as for individual departments, units or functional areas and monitoring progress in the carrying out of the organization's strategy. This requires assessing and measuring the performance of the implantation of the strategies followed by different departments and, or, units throughout the organization. The organization needs to initiate corrective actions to ensure continued commitment to the implementation of the strategy by the members of the organization. Thus, strategic control refers to processes that lead to adjustments in strategic direction, strategies or the implementation plan when necessary. Through strategic control, feedback, corrective information to management is provided, such as the organizational mission is no longer appropriate, but they have not been well executed. Actions should also be able to withstand the test of public investigation and legislative and judicial supervision. The evaluation of success and impact of strategies will be assessed in different ways of competing political decision-makers because of the public nature of decision-makers from the opposition may be critical, even in the case of successful strategies.

2.2.1 Public Sector Reforms and Strategic Management in Kenya

Reforms seek to transform the public service from a process orientation to result management culture to facilitate the achievement of the Economic Recovery Strategy (ERS) and attain Millennium Development Goals (UNDP, 2008). The government launched the Civil Service Reform Programme, (1993) to enhance Public Service efficiency and productivity. The reforms were expected to facilitate equitable wealth distribution necessary for poverty alleviation and create an enabling environment for investment and enhanced private sector growth (Republic of Kenya, 2003).

The Civil Service Programme was designed to proceed in three phases: Phase 1 – Cost containment; Phase 2 – Performance Improvement, and Phase 3 – Consolidation and sustenance of gains made by reform initiatives. While phases 1 and 2 succeeded in reducing the Civil Service workforce by 30% (from 272,000 in 1992 to 191,670 in 2003), productivity and performance remained a fleeting illusion. This paved way for introduction of Results- Based Management (RBM) guided by the Economic Recovery Strategy (ERS) for Wealth and Employment Creation (Republic of Kenya, 2003).

In the 2003-2007 Public Service Reforms, the Government started implementing the Economic Recovery Strategy (ERS) for Wealth and Employment Creation (Republic of Kenya, 2003). The ERS was based on the pillars of macro-economic stability, economic growth, strengthening the institutions of governance and rehabilitation of physical infrastructure as well as investment in human capital. The ERS also acknowledged the role of the Public Service as the key driver of the desired growth. The government proposed wide ranging Public Service Reforms in the Civil Service, Local Government and Public Enterprises (State Corporations). The reforms the government has initiated include rapid result initiative, performance contracting, Citizen Service delivery charter, transformational leadership value and ethics and institutional capacity building. With the advent of the Grand Coalition Government and the subsequent reorganization of Government, the Public Sector Reforms and Performance Contracting (PSR and PC) was formed under the Office of the Prime Minister (OPM).

According to the Presidential Circular No. 1, (2008), PSR and PC have an expanded mandate of coordinating and facilitating reforms in the wider Public Sector. PSR&PC has acknowledged the enormity of this task and has purposed to diligently undertake it so as to ensure customer satisfaction with public services, build the trust and confidence of citizens in the Government and create sustainable global competitiveness for Kenya. Through the strategic management process, ministries are able to develop clear goals and objectives, and justify their budget and funding requirements. The system has promoted a new focus on emphasizing performance and result (Republic of Kenya, 2003; 2004; 2006).

2.2.2 Performance in Public Organizations

The importance of strategic performance measurement has grown substantially over the last few decades. The reinvention and results oriented management movements advocated for increased performance measurement for greater accountability and improved organizational efficiency (Ingraham, 2005). Though not all public sector scholars are comfortable with the elevated importance of performance, many place value of measuring performance as a means of understanding how well an organization is performing (Van Dooren, 2010). Proponents of performance measurement advocate for utilizing a variety of different types of measures to represent various dimensions of performance and provide a balanced and comprehensive view of an agency's or program's performance. Output measures, for example, gauge the amount of direct products, or units of services, produced as part of a program. Efficiency and productivity measures are typically ratios of output measures per the cost spent to produce the output. Service quality measures represent a variety of qualitative dimensions of the outputs or services produced. Outcome measures are indicators of a program's substantive goal achievement, and cost-effectiveness measures are ratios of effectiveness measures to the cost of producing them.

Customer satisfaction measures are similar to service quality measures but are from the standpoint of the citizen consuming the service (Porter, 2003).

2.2.3 Performance Measurement through Balanced Scorecard Model

The balanced scorecard (BSC) was introduced in 1992, and it has gained widespread acceptance as a nuanced tool for performance measurement and strategic management in the profit sector (Kaplan and Norton, 1992; 1996, 2001; Yee-Chin, 2004). The balanced scorecard model was developed as a means for addressing both the strategy development process and continuing monitoring strategy achievement and performance measurement. It does this by dividing measures into four different, inter-related perspectives: Financial, Customer, Internal Business Processes and Innovation and Learning. Applying measures on these four perspectives moves the evaluation away from being a control element towards a tool for putting strategy into action (Kaplan and Norton, 2001). By integrating objectives, measures, targets and initiatives of each of the four perspectives to support the overall vision and strategy, the BSC demonstrates its value as a strategic management instrument that goes beyond mere financial indicators by emphasizing the importance of non-financial perspectives such as customer satisfaction, internal business processes and learning and growth. By selecting appropriate performance drivers and outcome measures to fit the theory of business in a chain of cause and effect relationships, the organization will have a better idea of how to achieve its potential competitive advantage (Yee-Chin, 2004). The implementation process of the BSC can be described as a series of four steps (Kaplan and Norton, 2001; Yee-Chin, 2004); Translating the vision and gaining consensus; communicating the objectives, setting goals and linking strategies; setting targets, allocating resources and establishing milestones and providing feedback and learning.

According to Yee-Chin (2004), the BSC can assist organizational managers in accomplishing the same strategic planning and control functions as is the case for for-profit managers. It can also help in: clarifying and gaining consensus about strategy; communicating strategy throughout the organization; aligning departmental and personal goals to the strategy; linking strategic objectives to long-term targets and annual budgets; identifying and aligning strategic initiatives; performing periodic and systematic strategic reviews; and obtaining feedback to learn and improve strategy.

The corporate world has historically measured financial performance and sales volume. Measures of financial performance, sales volume, and customer satisfaction are not wrong, they are merely insufficient. Many organizations fail to understand how these indicators fit within the comprehensive measurement strategy that is required to effectively redesign processes (Tenner and DeToro, 1996). However, while both process's definition and measurement are important, in themselves they are not sufficient to assure performance improvement. Assessing process competence needs to address the extent to which enterprise level business processes are defined, measured, improved and managed. The selected model must explicitly recognize that process competence at the enterprise level involves a combination of aptitude in improving and managing the firm's large cross-functional business processes and leadership attitude in measuring and managing the firm's activities in business process terms. The selected model should facilitate either self-assessment by a cross-functional team or assessment by an external party. This means that the model should be both sufficiently robust to capture a snapshot of the organization's current performance and be sufficiently streamlined to permit repeated application at the enterprise and division level. Ideally, the selected model should be designed such that it facilitates a comparison of the firm's performance to industry standards for the majority of the enterprise processes (Spanyi, 2004).

From the following the main characteristics, today's business environment could be recognized in the increasing importance and strength of various stakeholder groups namely, businesses realized the importance of a multidimensional and balanced performance measurement system as a tool that would enable them to drive the company forward. It is now widely accepted that the use of appropriately defined measures can ensure the strategic alignment of the organization and communication of the strategy throughout the business (Najmi, Rigas, and Fan, 2005). Expanding the concept a bit further Kaplan and Norton (1992) identified the weaknesses of traditional measurement systems because of their un-dimensional and backward looking nature. This led to the development of innovative performance measurement frameworks which viewed business performance through more than one perspective (Najmi, Rigas and Fan, 2005).

The stakeholder view maintains that firms have stakeholders rather than just shareholders to account for (Freeman, 1984; 1994). The view that the corporation has obligations only to its stockholders is replaced by the notion that there are other groups to whom the firm is also responsible. Groups with a 'stake' in the firm include shareholders, employees, customers, suppliers, lenders, the government and society (Berman et al, 1999; Harrison and Freeman, 1999; Hillman and Keim, 2001; Riahi-Belkaoui, 2003). Emerging management paradigms are emphasizing a stakeholder perspective (Atkinson et al, 1997; Berman et al, 1999; Harrison & Freeman, 1999; Hillman and Keim, 2001; Riahi-Belkaoui, 2003). Moreover, an important notion revealed in many studies is that building better relations with primary stakeholders like employees, customers and suppliers could lead to increased shareholder wealth. A sustainable organizational advantage may be built with tacit assets that derive from developing relationships with key stakeholders (Hillman and Keim, 2001). When studying the relationship between stakeholder management and a firm's financial performance, Berman et al. (1999) found that fostering positive connections with key stakeholders (customers and employees) can help a firm's profitability. Ultimately, it could be said that processes require financial as well as non-financial resources in order to create value for the customers Kueng, (2000), having impact on four main groups of stakeholders: suppliers, employees, shareholders, and customers.

2.2.4 Empirical Literature

Strategic change researchers and academicians have contributed to the literature by examining the conditions under which specific practices, resources or structural arrangements contribute to sustainable competitive advantage. However, strategic management or strategy is a relatively young field facing all the problems and difficulties associated with a rising academic discipline. The strategy field is large and disparate, with contributions from many background disciplines, and little fundamental agreement upon ontological and epistemological premises. Historically, the field of strategy was viewed as 'integrative'. Most academics actively involved in the study of strategy hail from a host of disciplines – anthropology, sociology, population ecology, finance, marketing, political science, and theology to name only a limited number. However, in a pre-paradigmatic field such as strategy, one would appreciate such pluralism as theories and concepts from various related and non-related disciplines have really expanded and enriched the knowledge base of strategic management.

A study by Kaplan and Norton (2008), argues that to manage both strategy and operations, companies must take five steps: (1) Developed strategy, based on a company's mission at values and its strengths, weakness and competitive environment; (2) Translate the strategy into the objectives and initiates linked to performance metrics; (3) Create an operational plan to accomplish the objectives and initiatives; (4) Put the plan into action, monitoring its effectiveness; (5) Test the strategy by analyzing cost, profitability and correlations between strategy and performance.

Optimally position the organization in its external environment to achieve the organization's mission. According to Thompson and Strickland (1998), many organizations adopt one or more generic strategies to demonstrate their service delivery approach to the community they serve. This is a holistic statement of the organization's strategic orientation. Grand strategies provide the basic direction for strategic action.

An increasing number of academics are now extolling the central role of business processes in improving performance. Most recently, Kaplan and Norton's book "Strategy Maps: Converting Intangible Assets into Tangible Outcomes" places business processes at the centre of their approach of measuring a firm's progress in implementing strategy (Spanyi, 2004). They wanted to emphasize that in a process of moving to a process enterprise, therefore, managers need to conduct a thorough analysis to determine what aspects of process performance are most directly linked to achieving the organization's overall objectives (Hammer and Stanton, 2001).

2.3 Strategic planning models

2.3.1 Thompson and Strickland Model

According to Thompson and Strickland Model (2003) implementation processes and activities or consumption sets up processes that can be used to gear an organization towards set objective

Table 2.1: Steps for implementing strategies

Step	**Special tasks**
Creating an organization which can implement the strategies.	- Creating a structure which supports implementation of strategies. - Reinforcing skills and capabilities on which strategies are planned. - Positioning most appropriate people for occupations in organizations.
Providing financial resources (budgeting) which can support strategies.	- Being sure that financial resources are allocating to units in appropriate to their contribution of strategic role. - Being sure that consuming resources (inputs) will cause desired outputs.
Establishing inter support units.	- Developing and managing policies and procedures that facilitate implementation of strategies. - Creating operational and administrational systems which can empower strategies.
Innovating motivation and remunerations in close relationship with objectives and strategies.	- Motivating people and units for implementation of strategies. - Designing remunerations can cause optimal level of performance. - Encouraging tendencies for achievement of aims.
Forming organization's culture to adjust strategies.	- Creating common values. - Defining ethical criteria - Creating a workplace which supports strategies. - Creating highly achievement motives in culture of organization.
Establishing inter support units.	- Developing and managing policies and procedures that facilitate implementation of strategies. - Creating operational and administrational systems which can empower strategies.
Performing leadership strategies.	- Leading process of value formation, culture development and empowering implementation. - Developing and saving innovations, responsibility to environment and using opportunities. - Considering political aspects of strategies, confronting to power conflicts, and creating consensus. - Posing ethical criteria and behavior. - Innovating modifications for improving implementation of strategies.

Source: Thompson and Strickland, (2003)

According to this model, several steps that an organization should undertake in order to have a successful strategic plan implementation have been proposed. Each step has special task that should be undertaken. In the first step, according to Thompson model, an organization should have structure that supports strategy implementation i.e. appropriate people to task in the organization, reinforcing relevant skills and capabilities in an organization through capacity building and training. It also goes further and states that an organization should provide adequate financial resources that will enable the strategy to be executed because for a strategy to be executed sufficient funds should be available. The third step states that organization should have inter-support units which promote development of policies and procedures that will enable the organization to run smoothly and focus their energy towards one direction. It sets objectives and goals. Leadership in an organization according to this model influences, motivate the staffs to be innovative promote teamwork in an organization. Organization that have certain culture do have a special way of relating to stakeholders, every organization should have a culture of how they want to be perceived hence leadership influences value formation, conflict resolution shared values that are seen throughout the organization.

The factors in this model are relevant to this study because they show what an organization should undertake in order to have successful implementation towards organization performance. It has step by step plans with specific task that organization can follow in order to influence their capabilities. The following dimension of this model were selected and considered relevant to this study: Creating an organization which can implement strategies. This dimension is appropriate this study while looking at organization structures. It has special tasks that should be undertaken to influence organization performance. Providing inter-support unit is considered relevant to the study because it shows us an organization can go about setting the relevant policies, procedures and rules that can influence proper administration and operation functioning that can lead to good organization performance. Performing leadership dimension to be considered because it shows organization leadership should go about in its endeavors' to influence performance in an organization. It shows how leadership leads to values formation, culture development, conflict resolution, and motivation in an organization providing financial resources (budgeting). This dimension was considered because it shows financial allocation and budgeting is relevant to the contribution of strategic goals in the organization.

2.3.2 Ricky Griffin's Model

According to Griffin (2007), the main focus in implementation is identifying perspective and effective factors about implementation of strategies.

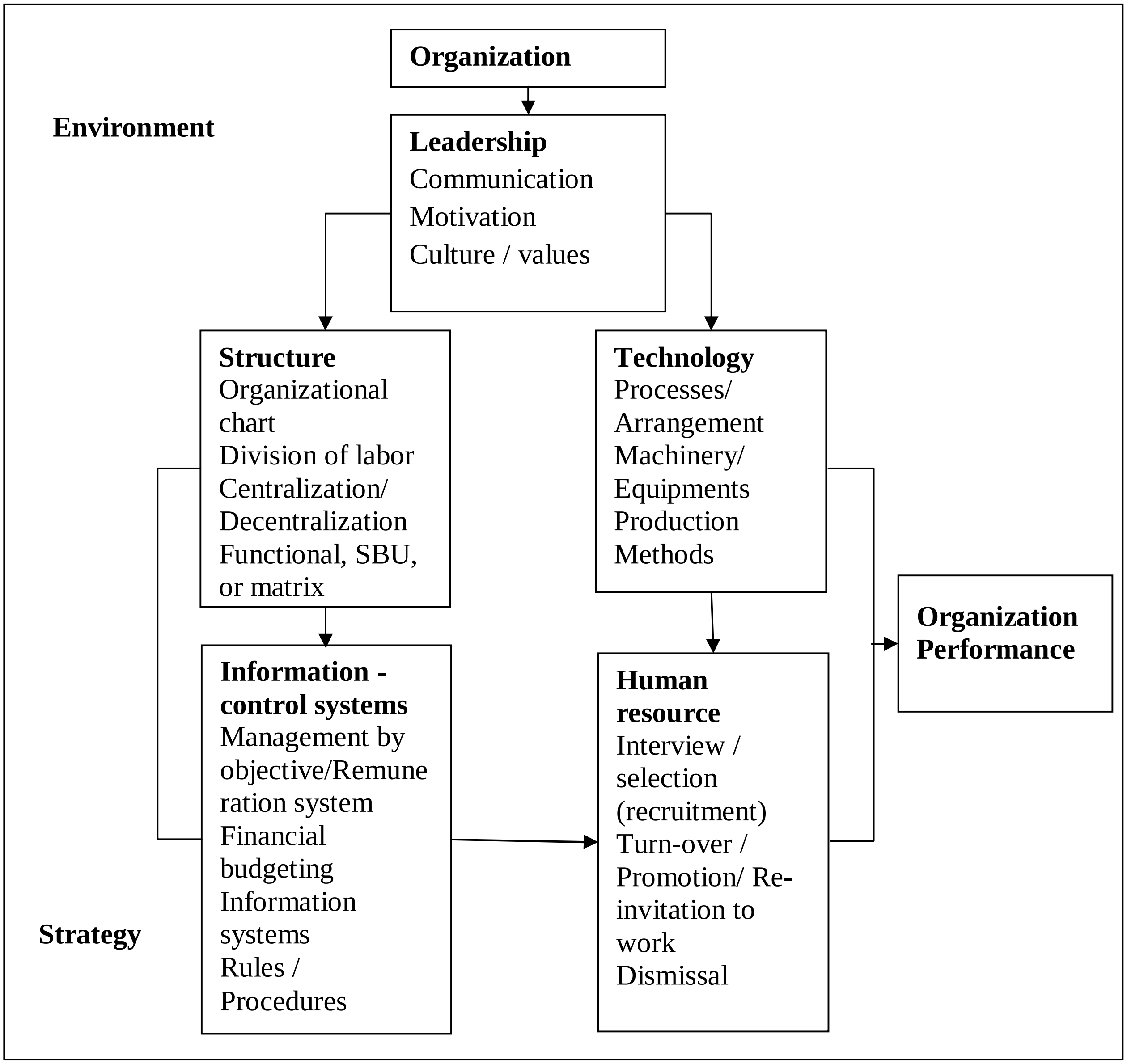

Figure 2.1: Ricky Griffin's Model (2007)

The main factors that influence performance according to this model are: Leadership, which provides direction, communication, motivation of staffs and setting up of culture and value in an organization. By doing this, leaders offer direction and influences organization performance. Another factor is organization structures which, according to this model, are division of labor, decentralization of functions and setting up simple organization structures that will make decision making faster. The third factor is Technology. Proper use of technology, job designing can influence organization performance. Information control system, proper control system which includes financial budgeting, information system, proper rules and procedures will influence organization performance. Human Resource, recruitment of qualified personnel promotion, job enrichment will enhance organization performance.

This model is relevant to this study because it shows ways in which an organization can do in order to influence their performance. It has five basic functions that an organization should look into, they are leadership, structures, technology, information control system, human resource each of this functions have sub functions that should be done. This model helps us to understand implementation and organization performance. Shows what is needed to be done in order to have successful implementation.

2.4 Conceptual Framework

Strategic management practices are useful only when they make a positive difference in output from the traditional management practices. In this study performance is the dependent variable and independent variable include leadership, policies and procedures, structures and resource allocation

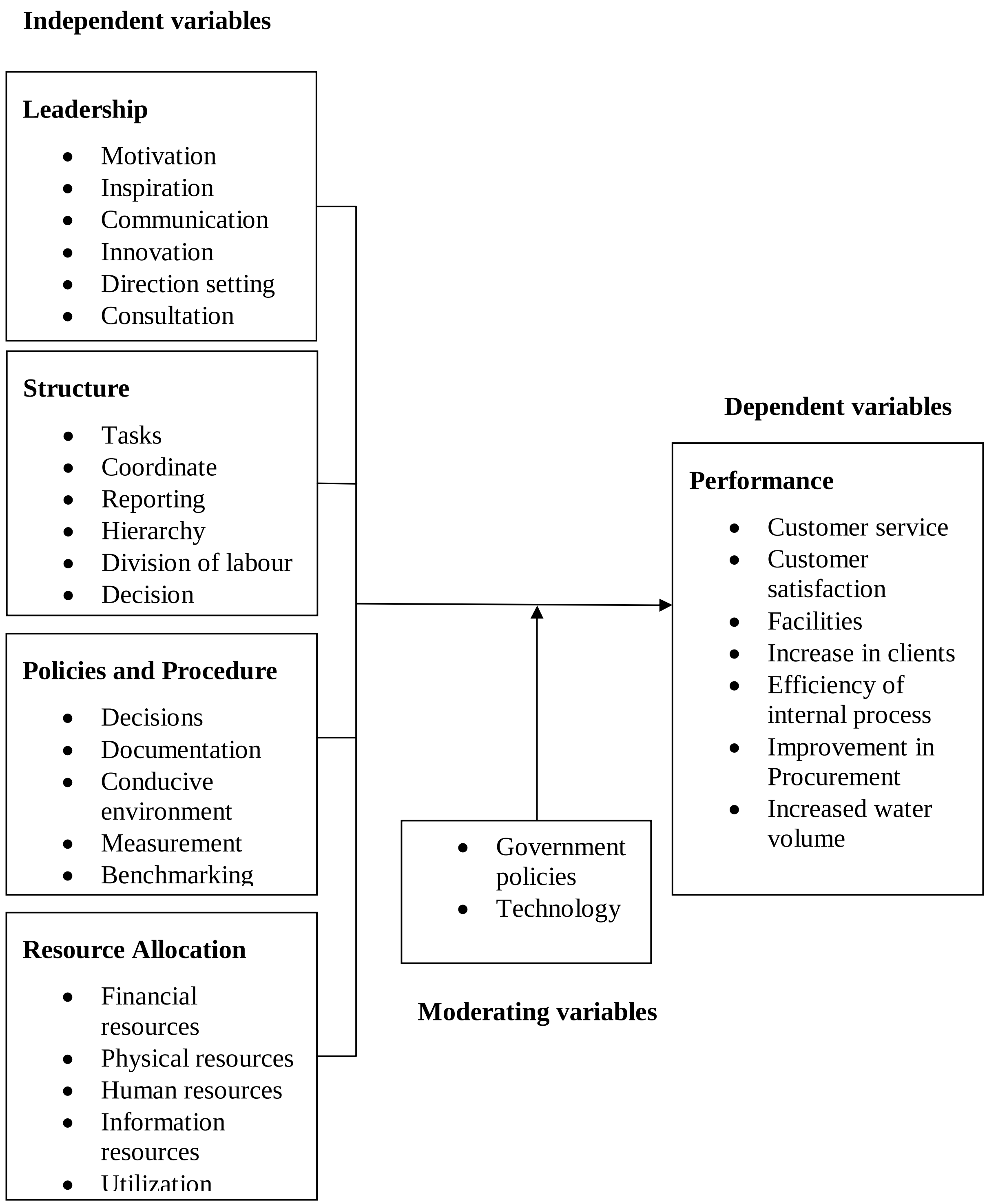

Figure 2.2:Conceptual Framework Showing Relationship between Strategic plan Implementation and Performance

Source: Author, 2012

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a detailed procedure of the methods used in this study. It outlines research design, sample selection, instrument for data collection and analysis of data.

3.2 Research Design

A research design is a plan according to how a researcher obtains research participants and collects information from them. According to Heron (1998), a research design refers to a plan for collecting and utilizing data so that desired information can be obtained with sufficient precision. This study adopted a cross-sectional survey research approach. This is an approach where information on a population is gathered at a single point in time which is the case for this study.

3.3 Target Population

The target population for the study was all departments within Nakuru Water and Sewerages Company Limited. NAWASSCO has three departments namely: Finance and administration, Technical, and Commercial department with population of 160 employees.

Table 3.1: Target population

Category	Population	Percentage
Senior management	13	8%
Middle management	24	15%
Operational staff	123	77%
Total	160	100%

Source: NAWASSCO (2013)

3.4 Sampling Procedure

The researcher used stratified random sampling to select the respondents. This design allows the population to have an equal chance of being selected in the different strata. The strata in this case are the different categories within the company. The sample size was 115 respondents out of a target population of 160. These were selected to ensure that the sampling size had characteristic representation of the population using the formulae developed by Mugenda and Mugenda (2003). The formula to find the sample size is:

$$n = \frac{N}{1 + (N * e^2)}$$

Where;

N= population size

e= Tolerance at desired level of confidence, take 0.05 at 95% confidence level

n= sample size.

How the formula is used is shown below

n=160/(1+(160*0.05*0.05))

n=114.286

Thus the sample size,

n=115

The distribution of the sample across the categories was done using the formula

$$\frac{\text{Number of individuals in the category x The sample size}}{\text{Total number of employees}}$$

Table 3.2: Distribution of Sample Size

Category	Population	Sample	Percentage
Senior management	13	9	8%
Middle management	24	17	15%
Operational staff	123	88	77%
Total	160	115	100%

3.5 Data Collection

The study relied mainly on primary data collected using a questionnaire. The respondent consisted of senior management, middle management and operational staff of NAWASSCO. Structured questionnaires, where the study participants were asked to respond to identical questions, were used to aid the study (Mugenda and Mugenda, 2003). Five concept questionnaires were used with multiple variables under each concept. The concepts were background information of the respondents (6 items), Strategic leadership (6 items), Organization structure (6 items), Policies and Procedures (5 items), Resource allocation (6 items) and Performance (7 items). (See Appendix II).

3.6 Validity and Reliability of Research Instrument

According to Mugenda and Mugenda (2003), reliability refers to the degree to which the research instrument can yield consistent results and data from repeated trials. Validity on the other hand is the degree to which results from the analysis of the data actually represent the phenomenon under study. The questionnaire was piloted at Nyeri Water and Sewerage Company Ltd, Nyeri. Nyeri Water and Sewerage Company Ltd was chosen because it was the first water company in Kenya. Nyeri is also an urban center like Nakuru. The respondents there have characteristics similar as those at NAWASSCO. Before piloting, the study supervisor was consulted extensively to help clarify the concepts. Adjustments were made regarding readability, relevance, language and comprehension. Pilot data was analyzed using the Cronbach's Alpha test to examine the internal consistency of the data. The scores were: Strategic leadership (0.76), Organization structure (0.83), Policies and Procedures (0.78), Resource allocation (0.94) and Performance (0.86). According to Davidson (1996), a score over 0.70 is considered appropriate for the study. Thus, there were no further adjustments to the questionnaires after piloting since the scores were satisfactory.

3.7 Data Analysis and Presentation of Findings

The study used descriptive statistics which describes and summarizes data so that patterns are made visible. Inferential statistics was to analyze the relationship between the factor and the service quality and multiple regressions to evaluate the contribution of all the factors to the dependent variable. Multiple regression method uses the correlations between a dependent variable and independent variables as a criterion to determine which variables would be included in the regression model. Due to the inherent relationship between the dependent and the independent variable, potential variables for the regression model are correlated. However, if they are too correlated, they would lack the distinctiveness to measure the different facets of quality. Pearson's product moment correlation was used to first identify the relationship of each factor to service quality and multiple regression to quantify the contribution of each of the four factors to service quality. All the tests were carried out at alpha level of significance of 0.05.

The empirical analysis was carried out using multiple regressions. The multiple regression formulae used was:-

$$Y= Y=a+\beta_1 X_1+ \beta_2 X_2+ \beta_3 X_3+ \beta_4 X_4 +e$$

Where:

Y= Service quality

β =Beta	X_2=Structure
a= the constant	X_3=Policies and procedures
X_1=Leadership	X_4=Resources

e =error

The Pearson's product correlation formulae used was:-

$$r = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{[n\Sigma x^2 - (\Sigma x)^2][n\Sigma y^2 - (\Sigma y)^2]}}$$

R= Pearson's product correlation	y= service quality (Dependent Variable)
N=Sample size	x= factors affecting service quality (independent variables)

3.8 Ethical issues

The ethical issues that arose include: disclosure, understanding, voluntariness and consent. The potential respondents were fully informed of the nature and purpose of the research, the procedures to be used, the expected benefits to the participant, organization and /or society. The respondents were given an opportunity to ask questions, which were responded to. The respondent's consent to participate in the research was obtained voluntarily.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSIONS

4.1 Introduction

This chapter presents the background information and results of the analysis that was made, and also a discussion of the findings. The presentations follow the sequence of the research questions. Descriptive statistics are used to summarize the data and inferential statistics were used to establish the relationship between the independent variables and the dependent variables.

4.1.1 Response Rate

The self-developed questionnaires were presented to the respondents on a personal basis to increase the response rate. Thus, the study achieved a response rate of 100%, calculated as follows:

$$\text{Response Rate} = \frac{\text{Number of valid responses} *100}{\text{Total number approached}}$$

$$\text{Response Rate} = \frac{115 * 100}{115}$$

=

=100%

This means that all the participants who were contacted to participate in the study actually participated by giving valid responses to the study questions.

4.1.2 Description of Respondents

A total of 115 employees of NAWASSCO participated as respondents in the study. The age of respondents ranged from 20 to 56 years. The proportion of respondents under the age of 30 constituted 20%, those aged between 30-49 represented 30%, those in the age bracket between 40-49 years were the majority at 43%, and the remainder 8%, was in the age bracket over 50 years. 53% of the respondents were male while 47% were females. The educational attainment of the respondents ranged from Primary, (16%), Secondary school, (47%, majority), College, (29%), and University (9%). The finding on the position in the organization was categorized into three groups, namely senior management (7%), middle management (18%) and operational staff (75%). The senior management consisted of those who had wide managerial duties, including all departmental heads, middle level managers and all managers below the departmental heads. Operational staff consisted of all the other staff with no managerial duties. The company has three department, that is, Technical (26%), Commercial (34%), and Finance and administration (40%). The working experience of the respondents was also considered in the study and the respondents in categories:- Less than 5 years (31%), between 5-10 years (26%), 11-15 years (22%), and over 15 years (21%). As far as experience is concerned, the total number of years the respondent had worked was considered irrespective of whether they had worked at the department of water under the Municipal Council of Nakuru or from the inception of NAWASSCO. This accounted for individuals who had more than 10 years working experience. NAWASSCO has been operating for 10 years (see table 4.1).

Table 4.1: Description of Respondents

		Frequency	Percentage
Age	20-29 years	23	20%
	30-39 years	35	30%
	40-49 years	49	43%
	50+ years	8	7%
	Total	115	100%
Gender	Male	61	53%
	Female	54	47%
	Total	115	100%
Education	Primary	18	16%
	Secondary	54	47%
	College	33	29%
	University	10	9%
	Total	115	100%
Position in the organization	Senior management	8	7%
	Middle management	21	18%
	Operational staff	86	75%
	Total	115	100%
Department	Technical	30	26%
	Commercial	39	34%
	Finance and administration	46	40%
	Total	115	100%
Work experience	<5 Years	53	31%
	5-10 Years	23	26%
	11-15 Years	20	22%
	Over 15 Years	19	21%
	Total	115	100%

4.2 Strategic Implementation

The performance of the company has improved overall as a result of strategic implementation process in the organization (see table 4.2) However, certain strategic objectives received higher rating in terms of improvement than others. Six items were used to measure strategic implementation performance.

Table 4.2: Strategic Implementation Performance

Strategic Implementation Statements	N	Mean	Median	Mode	Std. Deviation
Strategic Implementation has led to an improved customer service.	115	3.29	3.5	5	1.4
Strategic Implementation has led to an increase in the volume of water being provided by the company to its satisfaction in terms of service delivery.	115	3.34	4	4	1.219
Strategic Implementation has led to an expansion of company facilities.	115	3.49	4	5	1.384
Strategic Implementation has led to an increase in the number of client in terms of service demand.	115	3.5	4	4	1.292
Strategic Implementation has led to efficiency in the internal process.	115	3.09	3	5	1.474
Strategic Implementation has resulted into improvement in procurement procedures.	115	3.36	3.5	5	1.36

4.2.1 Effects of Leadership Styles on Performance

Leadership capability exists at both the individual and the collective level. The study sought to provide summary of forms of leadership. Six items were included which in summary were motivating (mode=4), inspiring (mode=4), communicating (mode=5), innovation (mode=2), promote shared behavior (mode=5), and consultation (mode=5). The items that received the highest rating were communication ability of leaders, ability to promote shared behavior among employees by the leaders, and ability to seek advice of experts/consultants which may be from internal employees or outside consultants (see Table 4.3).

Table 4.3: Leadership

Leadership Statements	n	Mean	Median	Mode	Std. Deviation
Leaders motivate employees towards achievement of organization set goals.	115	3.51	4	4	1.326
Leaders support employees and inspire them towards achieving organization strategic directions.	115	3.37	4	4	1.394
Leaders communicate to the employees about the organization day to day business.	115	3.78	4	5	1.261
Leaders are innovative and competent.	115	3.04	3	2	1.389
Leaders promote shared behavior, vision, mission, norms and values among employees.	115	3.44	4	5	1.367
Leaders constantly seek the advice of experts/consultants.	115	3.34	4	5	1.391

The leadership variables were then reduced to leadership quotient (Mostovicz, Kakabadse and Kakabadse, 2009) which find out that only a handful of people in leadership positions actually lead. The leadership process therefore has certain variables which can be scored as was done in this study.

The leadership styles included in the study were subjected to regression analysis as a test of effects on company performance. Leadership was found to explain 14.6% of the variation in company strategic implementation performance (adjusted R square=0.146, R square=0.156). From examining the coefficients, it is clear that leadership will exist at certain minimum thereby signifying the positive constant (b_0= 11.994, p=0). However, as leadership style improves, there will generally be improved strategic implementation performance for the organization (b_1=0.339 p=0) (See Table 4.4).

Table 4.4: Leadership Effects on Strategic Implementation Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.395[a]	0.156	0.146	2.7759

a. Predictors: (Constant), Leadership

Coefficients[b]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	11.994	1.497		8.014	0
	Leadership	0.339	0.084	0.395	4.031	0

b. Dependent Variable: Strategic implementation

4.2.2 Effects of Organizational Structure on Performance

Regarding structure of the organization, the general response was that participants were more likely to cite agreement than disagreement with structure items being in place. All the six items had mode=5, which means that the organizational structure was to help achieve strategic objectives in a relatively stable environment. Zand (2009) notes that a less dramatic but equally significant strategic renewal could involve modifying an organization's out-of-date structure in order to implement management's intended strategy. Such a renewal should be approached from two sides: making sure the strategy truly fits the current business environment and changing the structure to fit the intended strategy. However, since NAWASSCO is a company operating the water provision and sanitation services as a monopoly, the strategic fit of the company is likely to remain stable over time. The environment is marked by less competitive forces but rising demand for company services (see table 4.5).

Table 4.5: Organization Structure

Organization structure Statements	N	Mean	Median	Mode	Std. Deviation
Effectively balances division of tasks and responsibilities among the employees in the organization	115	3.37	4	5	1.41
Co-ordinate individual efforts and roles in the organization	115	3.49	4	5	1.408
Simple layer of reporting which enhances efficiency	115	3.37	4	5	1.434
Many hierarchical levels involved in decision making	115	3.61	4	5	1.33
Allows division of tasks among the various departments to enhance performance	115	3.5	4	5	1.36
Flexible structure for quick decision making	115	3.68	4	5	1.225

A simple regression analysis relating structure and strategic implementation performance was performed (see table 4.6). Structure accounts for 36.7% of the total variation in strategic performance under the model (correlation coefficient=.612, r square=0.375 and adjusted r square=0.367, representing the coefficient of determination. All the coefficients were positive (b_0=7.789, b_1=0.548 where the p values in both cases were 0, indicating significance).

Table 4.6: Relationship between Structure and Strategic Implementation Performance

		Model Summary		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612[a]	0.375	0.367	2.3893
a. Predictors: (Constant), Structure				

Coefficients[b]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.789	1.417		5.498	0
	Structure	0.548	0.076	0.612	7.26	0
b. Dependent Variable: Strategic implementation						

4.2.3 Effects of Policies and Procedures on Performance

Six items were used to measure policies and procedures at NAWASSCO. Majority of Policies and procedures items were scored highly on the scale since most respondents indicated agreement with the items as illustrated in Table 4.8. Four items had mode=5. These items were: The organization clear set on how decision are made, The organization has well documented procedures on how employees in the organization are supposed to operate, Conducive environment to support strategic implementation and The organization has well laid policies on how they intend to benchmark themselves with other water services providers globally. The remaining two items had mode=4. These were: The organization has clear adopted policies that create and the organization has well laid policies and procedures that measure organization performance contracting. Illustration has been made in Table 4.7. Policies and procedures help reduce risks such as pilferage, unauthorized transactions, and also help to ensure accountability (Field and Chelliah, 2012). Mole and Giavara (1995) identifies importance of policies and procedures as leading to proven and established methods. Techniques and best practices are identified and utilized wherever possible.

Table 4.7: Policies and Procedures Description

Policies and Procedures Statements	N	Mean	Median	Mode	Std. Deviation
The organization has clear set policies on how decisions are made.	115	3.69	4	5	1.338
The organization has well documented procedures on how employees in the organization are supposed to operate.	115	3.69	4	5	1.286
The organization has clear adopted policies that create conducive environment to support strategic implementation.	115	3.6	4	4	1.296
The organization has well laid policies and procedures that measure organization performance contracting.	115	3.67	4	4	1.209
The organization has well laid policies on how they intend to benchmark themselves with other water services providers globally.	115	3.67	4	5	1.324

The overall Policies and procedures provided the highest variance. 42.8% of the variation in strategic implementation performance was explained by policies and procedures. This is consistent with the bureaucratic nature of public organizations where policies exist. Policies are meant to guide day to day operations besides oversight, controls, and legal framework guiding the management. It also helps explain why innovation competency of managers were rated low as was described in section 4.3. The coefficients were b_0=6.069, and b_1=0.672, both of which were significant at α=0.05. This indicates that as policies and procedures were enhanced to allow flexibility and responsiveness, there were improved chances of achieving higher strategic implementation performance.

4.2.4 Effects of Resource on Organizational Performance

Resource allocation has very significant implications on the ability and pace of strategic implementation performance. As table 4.10 illustrates, respondents expressed diverse views on the extent to which resource allocation at NAWASSCO is aligned to the achievement of strategic objectives. However, more participants were of the view that resource allocation will have influence on the achievement of strategic implementation performance objectives. The items that scored mode=5 were: The resources allocated are utilized as per the set goals, The organization monitors and audits all the resources allocated resources by the government and other donor agency, The organization has well trained human resource to support strategic implementation, and, The organization has adapted information technology in its day to day operation. Those items that scored mode=4 were: The organization allocates sufficient financial resources for strategic implementation and the organization provides proper utilization of physical resources that are available (see Table 4.10)

Toni and Tonchia (2003) notes that the resources are understood as the assets, tangible or not, which are semi-permanently linked to the firm. Since resources are the input of the productive process needing accumulation and coordination, it seems from these results that policies and procedures of the company limit the employees from initiating resource allocation models. That is why resource allocation seems to make a small contribution to the overall strategic implementation performance (see Table 4.9).

On further analysis, it was found that resource allocation accounts only for 10.1% of the variation in strategic implementation performance objectives. However, improved resource allocation, and more targeted and aligned resource allocation leads to improved strategic implementation performance (b_0=12.715, b_1=0.282 both of which were significant) (see Table 4.10).

Table 4.8: Effects of Policies and Procedures on Strategic Implementation Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.659a	0.434	0.428	2.2731
a. Predictors: (Constant), Policies and procedures				

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	6.069	1.462		4.152	0
	Policies and procedures	0.672	0.082	0.659	8.214	0
a. Dependent Variable: Strategic implementation						

Table 4.9: Effects of Resource Allocation on Strategic Implementation Performance

Resource Allocation Statements	N	Mean	Median	Mode	Std. Deviation
The organization allocates sufficient financial resources for strategic implementation	115	3.58	4	4	1.307
The resources allocated are utilized as per the set goals	115	3.56	4	5	1.391
The organization provides for proper utilization of physical resources that are available.	115	3.14	3	4	1.411
The organization monitors and audits all the resources allocated resources by the government and other donor agency.	115	3.47	4	5	1.367
The organization has well trained human resource to support strategic implementation	115	3.2	3	5	1.408
The organization has adapted information technology in its day to day operation.	115	3.56	4	5	1.383

Table 4.10: Effects of Resource Allocation on Strategic Implementation Performance

		Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.333a	0.111	0.101	2.8492		
a. Predictors: (Constant), Resource allocation						
			Coefficients(a)			
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	12.715	1.599		7.954	0
	Resource allocation	0.282	0.085	0.333	3.309	0.001
a. Dependent Variable: Strategic implementation						

4.3 The Model Containing All the Variables

The model involving all the independent variables showed that the model accounts for 63.4% of the variation in the overall company strategic implementation performance (correlation coefficient=0.806, coefficient of determination=0.65, and adjusted coefficient of determination=0.634). It was found that the b_0=-0.364 implies that without the items Leadership, Structure, Policies and procedures and Resource allocation, the company strategic implementation performance would suffer. Further, each of the elements make a positive contribution to the realization of strategic implementation performance improvement (b_1=0.057, b_2=0.408, b_3=0.508 and b_4=0.043) though only structure and policies and procedures were significant (see Table 4.12).

Table 4.11: All Variables Included in the Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806a	0.65	0.634	1.8183
a. Predictors: (Constant), Resource allocation, Policies and procedures, Structure, Leadership				

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.364	1.579		-0.231	0.818
	Leadership	0.057	0.089	0.066	0.636	0.526
	Structure	0.408	0.093	0.456	4.368	0
	Policies and procedures	0.508	0.113	0.499	4.517	0
	Resource allocation	0.043	0.082	0.05	0.517	0.607
a. Dependent Variable: Strategic implementation						

4.3.1 Correlation Analysis

A correlation analysis between the independent variables and the dependent variable was also carried out. This was done to understand the association between all the variables since this was expected from the results obtained in the preceding sections of this chapter.

Structure was found to relate negatively with leadership, though not significant (r=-0.037, p=0.73, n=115). This may mean that the structure is not conducive to risk taking and initiative on the part of firm participants. This may be expected from a public concern operating in a market it dominates, and the increasing need to stem pilferage and enhance accountability. Regarding the relationship between policies and procedures and leadership it was found that there is a positive correlation which was significant at 0.01 level of significance (r=.684**, p=0,n=115). This means that policies and procedures affect leadership and as policies and procedures provide for flexibility, autonomy, and initiative and risk taking, more leadership roles are exerted.

Table 4.12: Correlation Analysis between the Variables

		Leadership	Structure	Policies and procedures	Resource allocation
Structure	R	-0.037			
	p-value	0.73			
	N	115			
Policies and procedures	R	.684**	.255*		
	p-value	0	0.015		
	N	115	115		
Resource allocation	R	0.081	.636**	-0.025	
	p-value	0.446	0	0.815	
	N	115	115	115	
Performance	R	.395**	.612**	.659**	.333**
	p-value	0	0	0	0.001
	N	115	115	115	115

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Leadership related with resource allocation positively though not significant (r=0.081, p=0.446, n=115). The interpretation may that the organizational strategic implementation performance is dominated by policies and procedures and structure, thereby limiting the opportunity to exercise leadership and have greater initiatives regarding resource allocations. Overall, leadership has a positive correlation with implementation performance, which is significant at 0.01 level of significance (r=.395**, p=0 n=115). Structure had positive correlations with the variables Policies and procedures, Resource allocation, Strategic implementation; which were all significant (r=.255*, p=0.015, n=115; r=.636**, p=0, n=115; r=.612**, p=0, n=115, respectively). Policies and procedures had a negative correlation with resource allocation (not significant), and positive correlation with strategic implementation performance (r=-0.025, p=0.815, n=115; r=.659**, p=0, n=115, respectively). Finally, resource allocation was found to relate positively with implementation performance, which was significant at 0.01 level of significance (r=.333**, p=0.001 and n=115).

Multicollinearity among the independent variables can lead to effects on the dependent variable which are indirect given that the independent variables themselves interact. For this a multicolinearity test was performed. Multicollinearity refers to the relationship among the independent variables and it exists when the independent variables are highly correlated (Adrian, Lewis and Saunders, 2003).Table 4.13 illustrates.

Table 4.13: Test for Multicollinearity

		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Leadership	0.378	2.646
	Structure	0.378	2.642
	Policies and procedures	0.338	2.959
	Resource allocation	0.436	2.292

a. Dependent Variable: Strategic implementation

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula 1–R^2 for each variable. If this value is very small (less than .10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). VIF values above 10 would be a concern, indicating multicollinearity (Adrian, Lewis and Saunders, 2003). As shown Table 4.1 Leadership(Tolerance=0.378,VIF= .646); Structure (Tolerance=0.378, VIF=2.642); Policies and procedures (Tolerance=0.338, VIF=2.959). Therefore the model did not violate the multicollinearity assumption hence there was no need for removing one of the highly inter-correlated independent variables from the model.

4.4 Hypothesis Test Results

Ho_1: Leadership has significant influence on organizational performance

This proposition was tested at three levels. First, the simple regression analysis showed that the relationship between leadership and strategic implementation performance to be positive, and this was significant (b_1=0.339, p-value=0). Next, leadership was included in all-variables model under the multiple regression, however, at this point leadership had still a positive relationship with strategic implementation performance which was not significant (b_1=0.057, p-value=0.526). Lastly, correlation analysis between leadership and strategic implementation performance proved leadership correlates negatively with strategic implementation performance (r=-0.037, p-value=0.73). This was not significant. Hence, it can be concluded that leadership effects on organizational performance had mixed results according to study findings, with both positive and negative effects on organizational performance.

The above results were mixed, in that, simple regression was positive and significant, multiple regression analysis was positive but not significant while correlation analysis had negative coefficient. Simple regression analysis can be ignored because of specification error or bias that may occur since the function leaves out many other variables. However, it can be held that leadership affects strategic performance only slightly. This is from the very low combined factors multiple regression analysis which had a positive coefficient and low correlation coefficient from the correlation analysis. Therefore, there is no significant effect of Leadership on Strategic Performance of NAWASSCO.

Ho_2: The organization structure has significant influence on the organizational performance

All the three tests showed structure has positive effects on organizational performance. All of the tests were significant. The structure coefficient under simple regression was 0.548, (p-value=0), under multiple regression 0.408, (p-value=0) and correlated with strategic implementation performance with r=.612, (p-value=0). Hence, structure affects organization performance positively according to the results of the study. While simple regression returns significant positive relationship between the organization structure and strategic performance, it was likely to be affected by specification error thus the need to incorporate the other variables through a multiple regression model. The model too returned a significant positive relationship between the variables. A correlation analysis also gave a significant positive relationship between Structure and organization performance of Nawassco. Hence, there is significant effect of organization structure on the strategic performance of Nawassco.

Ho_3: Policies and procedures have significant influence on organizational performance

As in structure, the regression coefficients indicated positive relationship between policies and procedures and strategic implementation performance. Simple regression coefficient was 0.672, (p-value=0). Under multiple regression model, the coefficient was 0.508, (p-value=0), both coefficients being positive and significant. The correlation coefficient was .659** which was significant (p-value=0). Therefore, policies and procedures affect organizational performance positively.

All the analysis returned significant positive relationships between policies and procedures and organization structure. Hence, the study finding is that Policies and Procedures have significant effects on the organization Performance of Nawassco.

Ho_4: Resources have significant influence on organizational performance

Finally, resource allocation had a coefficient of 0.282, (p-value=0), under simple regression. Under multiple regression, the coefficient was 0.043, (p-value=0.607). Both coefficients were positive even though under the multiple regressions the coefficient was not significant. The correlation analysis showed a significant positive correlation between resource allocation and strategic implementation performance, which was .333**, (p-value=0.001). As such resource allocation affects organizational performance.

Resource allocation returned positive relationships with organization performance. However, it is only under the bivariate correlation analysis that the results were significant. Hence, the study finding is that resource allocation has slight effects on organization performance that tend to be positive. The relationships are likely influenced by the multicolinearity among the independent variables. This may not allow for evaluation of full effects of each individual independent variable. Overcoming this limitation with the use of bivariate analyses such as simple regression introduces new complexity such as specification errors of biases. That is why all the three analysis were performed in regard to each hypothesis.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes a summary of the study's objectives and their attainment, the findings, conclusion and recommendation for further studies. The chapter will be based on the results and discussion in chapter four.

5.2 Summary of Findings

Strategic planning is a management tool that helps an organization to focus its energy, to ensure that members of the organization are working towards the same goals, to assess and adjust the organization's direction in response to a changing environment. This study sought to fulfill four objectives, these were:

1. To establish the extent to which leadership with respect to strategic implementation has influenced organizational performance.
2. To establish the extent to which organizational structures with respect to strategic implementation has influenced organizational performance.
3. To establish the extent to which resource with respect to strategic implementation has influenced organizational performance.
4. To establish the extent to which policies and procedures with respect to strategic implementation has influenced organizational performance.

In respect of these objectives, the study findings can be summarized as follows:

1. Leadership was found not to play a significant role in determining the organizational performance. This may be attributed to the public nature of NAWASSCO requiring that the management and other organization participants adhere to Policies and Procedures thereby limiting initiative and risk-taking on the part of the organization management. The well set organization structure and policies and procedures that guide major facets of the organization are aimed at ensuring accountability to the public and efficiency. These objectives may at times be in conflict with organizational Strategic performance since performance is mostly affected by being responsive and flexible. The various leadership variables that were studied included motivating, inspiring, communicating, innovation competency, promotion of shared behavior, vision, mission, norms and values and

consultation. These factors related positively with performance. The views of the respondents were not found to vary according to their positions in the organization, yet those in senior positions were likely to place greater importance on the role of leadership in affecting performance positively.

2. The study found out that there is positive interaction between structure and organization performance. Thus structure of the organization accounts for much of its strategic performance. Therefore, if the organization determines that it is better to provide managers with opportunity to assert more leadership roles, then strategic renewal could involve modifying an organization's structure in order to implement management's intended strategy. If the organization wants to allow its members to push themselves to exceptional limits, then it must tap the seemingly dormant strength, ingenuity and vigor that these employees may contribute though leadership. But for this to be attained, the company will need to restructure to accommodate this strategic renewal initiative.
3. The study found that there is significant positive relationship between Policies and Procedures and organization performance. Consistent with the bureaucratic nature of public organizations where policies exist and procedures to guide day to day operations besides oversight, controls, and legal framework guiding the management, policies and procedures were found to have dominant role in determining performance as per the model. Policies are management directives or statements of principle which convey management's intent with regard to key organization functions. Procedures are a series of instructions which must be followed in order to comply with prescribed policies and practices. Both policies and procedures are important for the company since they are likely to lead to standardized performance and incorporating of best practice in business processes. However, certain policies and procedures may thwart initiative and creativity.
4. The study found out that resource allocation plays an insignificant role, yet positive role in determining company performance, as compared with structure and policies and procedures. This is consistent with Mintzberg (1971) proposition that managers function in the roles of figurehead, motivational leader, external liaison, information centralizer, information disseminator, spokesperson, entrepreneur, disturbance handler, resource allocator and negotiator. Thus, if managers are empowered to lead, they are like to be

involved with resource allocation and therefore more performance emanating from the roles of leading and resource allocation.

5.3 Conclusions

The study sought to understand the effects of strategic implementation on the performance of the company. Four factors were considered in relation to strategic performance. These were leadership, structure, policies and procedures and resource allocation. Concerning performance, various strategic objectives of the strategy implementation process were included. All these factors were found to have positive effects on performance and improvements in them leads to better performance. However, structure and policies and procedures were found to have higher effects on performance than leadership and resource allocation. The organization Structure affects the performance making it possible for the organization participants to tap the seemingly dormant strength, ingenuity and vigor. But for this to be attained, the company will need to restructure to accommodate this strategic renewal initiative. Regarding Policies and Procedures, the study found that policies and procedures are important for the company since they are likely to lead to standardized performance and incorporating of best practice in business processes. However, certain policies and procedures may thwart initiative and creativity.

5.4 Recommendations

From the findings of the study, the following recommendations are made:

1. NAWASSCO should initiate a policy of providing opportunities for leadership development for its staff. This will help them to engage closely and creatively with activities that will improve the strategic performance of the organization.
2. NAWASSCO should simplify its hierarchy structures to ensure easier information flows, more collaboration among the personnel, and teamwork. This likely to help improve staff understanding of the strategic objectives and align their efforts towards attainment of those goals.
3. NAWASSCO should undertake policy modifications that are geared towards devolving decision making and authority to staff at all levels so that they feel empowered to act in areas of their expertise for the benefit of the organization as a whole. This is because empowered employees are likely to be more satisfied and committed to the organization.

The organization should also revise its procedure manual to enable faster decision making.

4. NAWASSCO needs to provide strict accountability measures for its staff so that all resource allocation decisions are thoroughly vetted, and that there is monitoring system for all allocations. This would also ensure that all resource allocation decisions serve the best interest of the organization.

5.5 Suggestion for further research

This study looked at the public sector firm that operates as a government enterprise. A study comparing strategic implementation of a private and public firm would seem likely to lead to new insights and therefore enrich the efforts that have been made in this study.

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Appendix I: Introduction Letter

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School of Business
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NAKURU

Dear Sir/Madam,

This is to introduce to you Mukira Newman an MBA student carrying out a study on **the effect of strategic plan implementation on organization performance a case study of Nakuru Water &Sewerage Company.**

I kindly request you to provide as accurate information as possible which will assist the researcher in attaining his objective. You can also provide additional comments or suggestions that you consider necessary for public service sector.

The information obtained from this study will be used for academic purpose only and will be treated the highest level of confidential.

Thank you.

Yours Faithfully,

……………..

Newman Mukira
Researcher

Appendix II: Questionnaire

SECTION A: Respondent Information

Please fill in appropriate answer/s to the questions below.

1. Age ☐
2. Gender: Male ☐

   Female ☐
3. Educational level: Primary ☐

   Secondary ☐

   College ☐

   University ☐
4. Position in the organization:

   Senior management ☐ Middle management ☐

   Operational staff ☐

3. Department

Technical ☐ Finance and administration ☐ Commercial ☐

4. Work experience in the organization

0- 5 years ☐ 6-10 years ☐ 11-15 years ☐ over 15 years ☐

SECTION B

(i) The following are attributes identified with a successful strategic planning process.

Please check and tick the attributes you can relate to your companies strategic process

1. Strongly agree- SA
2. Agree - A
3. Neutral - N
4. Disagree - D
5. Strongly disagree - SD

	Kindly provide your opinion on the under listed aspects by ticking appropriately in this sections provided 1. Strongly agree -SA 2. Agree - A 3. Neutral - N 4. Disagree -D 5. Strongly disagree - SD					
	Strategic Leadership	**SA 1**	**A 2**	**N 3**	**D 4**	**SD 5**
1.	The leaders at NAWASCO motivate employees towards achievement of organization set goals.					
2.	The leaders at NAWASCO, supports employees and inspires them towards achieving organization strategic directions.					
3.	The leaders at NAWASCO communicate to the employees about the organizations day to day business.					
4.	The leaders at NAWASCO are innovative and competent in helping the organization come up with new strategies.					
5.	The leaders at NAWASCO promote the company in building up shared behavior, vision, mission, norms and values formation among the employees.					
6.	The leaders at NAWASCO constantly seek the advice of experts/consultants.					
	Organization Structure	**SA 1**	**A 2**	**N 3**	**D 4**	**SD 5**
1	The organization effectively balances division of tasks and responsibilities among the employees in					

	the organization					
2	The organization co-ordinate individual efforts and roles in the organization.					
3	The organization has simple layer of reporting which enhances efficiency.					
4	The organization has many hierarchical levels involved in decision making.					
5	The organizational allows division of tasks among the various departments to enhance performance.					
6	The organization structure in NAWASCO is flexible for quick decision making.					
	Policies and Procedures	**SA 1**	**A 2**	**N 3**	**D 4**	**SD 4**
1	The organization clear set policies on how decisions are made.					
2	The organization has well documented procedures on how employees in the organization are supposed to operate.					
3	The organization has clear adopted policies that create conducive environment to support strategic implementation.					
4	The organization has well set policies and procedures that measures organization performance i.e. performance contracting.					
5	The organization has well laid policies on how they intend to benchmark themselves with other water services providers globally.					
	Resource Allocation	**SA 1**	**A 2**	**N 3**	**D 4**	**SD 4**
1	The organization allocates sufficient financial					

	resources for strategic implementation					
2	The resources allocated are utilized as per the set goals.					
3	The organization provide for proper utilization of physical resources that are available.					
4	The organization monitors and audits all the resources allocated resources by the government and other donor agency.					
5	The organization has well trained human resource to support strategic implementation.					
6	The organization has adapted information technology in its day to day operation.					

SECTION C: OUTCOMES OF STRATEGIC IMPLEMENTATION

	STRATEGIC IMPLEMENTATION	**SA 1**	**A 2**	**N 3**	**D 4**	**SD 5**
1	Has led to an improved customer service.					
2	Has led to an increase the volume of water being provided by the company to its clients.					
3	Has led to an improved customer satisfaction in terms of service delivery.					
4	Has led to an expansion of company facilities.					
5	Has led to an increase in the number of client in terms of service demand.					
6	Has led to efficiency in the internal process					
7	It has resulted into improvement in procurement procedures.					

Appendix III: Work Plan

PHASE	PERIOD	ACTIVITIES
I.	July-September2012	**Proposal development** • Problem identification and Literature review • Preparation of draft proposal • Consultation and revision of draft proposal • Approval of the proposal
II.	September 2012	**Pilot Survey** ▪ Identification of survey respondents ▪ Questionnaire pre-testing
III.	October 2012	**Fieldwork** ▪ Administration of questionnaires ▪ Interviews with key informants ▪ Review of secondary data and information
IV.	November 2012	**Data Processing and Analysis** ▪ Data cleaning and Tallying ▪ Processing and analysis ▪ Interpretation of results
V.	December 2012	**Thesis Writing** ▪ Preparation of draft report ▪ Consultation & Correction of draft report ▪ Submission of the final report & Examination

Appendix IV: Research Budget

ACTIVITY	UNIT COST	TOTAL (Ksh)
Proposal Development	Typesetting and Printing 30 pages @ 40/=	1200
	photocopying 3 copies @100/=	300
	Binding 4 copies @ 100/=.	400
	Internet Charges	300
	Sub-Total	**2200**
	Preparation of Questionnaires Printing @	
Pilot Survey:	20/= x 2	40
(Pre-testing questionnaires)	Photocopy 25 copies @ 3/=	75
	Subsistence @ 200/= for 3 days	600
	Sub-Total	**715**
	Development of questionnaires	
Fieldwork	Printing 5 pages @ 20/=	100
	Photocopies 60 @ 2/=	120
	Transport & Subsistence 10 days @ 300/=	3000
	Sub-Total	**3220**
Preparation of the Project	Typesetting & Printing	600
Report	Photocopying 3 copies x 40 pages @ 3/=	360
	Binding 3 copies @ 100/=	300
	Sub-total	**1260**
	Miscellaneous (10%)	740
	TOTAL	**8135**