

**STRATEGY IMPLEMENTATION AND PERFORMANCE OF NAIROBI CITY  
WATER AND SEWERAGE COMPANY IN NAIROBI CITY COUNTY, KENYA.**

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**DECLARATION**

This project is my original work and has not been presented for the award of a degree or any other award in any other university.

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

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## **DEDICATION**

I would like to dedicate this research project to my dad Prof. David Minja, mum Dr. Elizabeth Mwaniki and sister Joy Mwaniki for cheering me on, relentless prayers and support during this study period.

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## **ABBREVIATIONS AND ACRONYMS**

<b>AWSB:</b>	Athi Water Service Board
<b>CCN:</b>	City Council of Nairobi
<b>KBC:</b>	Kenya Broadcasting Corporation
<b>MEWNR:</b>	Ministry of Environment, Water and Natural Resources
<b>NCWSC:</b>	Nairobi City Water and Sewerage Company
<b>NCPBK:</b>	National Cereals and Produce Board of Kenya
<b>PPMCC:</b>	Pearson's Product Moment Correlation Coefficient
<b>SPSS:</b>	Statistical Package for Social Sciences
<b>USA:</b>	United States of America
<b>VRIN:</b>	Valuable, Rare, Inimitable and Non-substitutable
<b>WASREB:</b>	Water Services Regulatory Board
<b>WSB:</b>	Water Service Boards
<b>WSP:</b>	Water Service Providers

## OPERATIONAL DEFINITION OF TERMS

<b>Culture:</b>	Comprises of principles and values, information sharing and actions and behaviour
<b>Customer satisfaction:</b>	Meeting customer needs as expected
<b>Efficiency:</b>	Doing things right
<b>Innovation:</b>	Unique and competitive ways of conducting businesses
<b>Leadership:</b>	Comprises of the leadership style and skills, communication. Decision making, teamwork
<b>Operating External Environment:</b>	Comprises of service-market competition, climatic changes, industry regulators and legal factors
<b>Performance:</b>	In this study it is described as obtaining efficiency. quality service, innovation and customer satisfaction
<b>Quality service:</b>	Offering services that meet certain requirement
<b>Strategy Implementation:</b>	Comprises of the role of leadership, culture and organizational structure in implementing strategies
<b>Structure:</b>	Comprises of formal organizational structure, structural design and alignment of structures for strategies to be implemented

## ABSTRACT

Nairobi City Water and Sewerage Company has been issuing notices to the public regarding its inability to fully satisfy customer needs. Yet, the company has formulated and implemented strategies to enhance its performance in offering quality service and increasing customer satisfaction. The purpose of this study was to investigate the effect of strategy implementation on performance of Nairobi City Water and Sewerage Company. It was guided by the following specific objectives; to investigate the effect of leadership, culture and organizational structure on strategy implementation and performance, and further establish the moderating effect of external environment on the relationship between strategy implementation and performance of Nairobi City Water and Sewerage Company. The research had negative hypotheses which were derived from the objectives and measured at 95% confidence level. This study was anchored on Mintzberg theory, Resource based theory and McKinsey's 7S theory as its foundations for theoretical analysis on the connection between the variables. Descriptive and explanatory research designs were used to describe NCWSC's performance by the former and show the associative relationship between the variables by the later. The target population was 324 and a sample size of 175 respondents was selected through a stratified and simple random sampling techniques. Data was collected a close- ended questionnaire using a 5- point Likert scale. Validity of the questionnaire was determined through carrying out a pre-test of the questionnaire and Cronbach's alpha was used to test for reliability. Data was analysed using descriptive statistics including frequencies, percentages, mean and standard deviation. Inferential statistics using Pearson's Product Moment Correlation Coefficient (PPMCC) was used to test the nature and strength of the relationship between strategy implementation and performance using ( $r$ ) as the regression coefficient. It was also be used to establish how each independent variable affects the dependent variable. The coefficient of determination ( $r^2$ ) was used to show the variation in the dependent variable (performance) which is explained by the independent variable (strategy implementation). Multiple regression analysis was used to determine the effect of the relationship between strategy implementation on performance; multiple regression analysis was used to further explain the amount of variation in the dependent variable against independent variables. The study established that strategy implementation has an effect on performance to a great extent. In addition, the researcher established that external environment has an effect on the relationship between strategy implementation and performance in terms of: efficiency, quality service and innovation not including customer satisfaction. The study concluded that the company has done a commendable job in implementing its strategies and recommended that the company should look into improving its customer satisfaction levels to remain competitive by employing more policies.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

According to Andrews, Boyne, Law, and Walker, (2011) globalization has cultivated the need for public institutions to improve service performance so as to be able to stay competitive. Governments' reaction to this is by issuing policies that are concerned with formulating and implementing strategies that pertain to service delivery. This issue is critical for organizations since many have noted that strategy implementation is more difficult than strategy formulation, and it is widely accepted to be a phase in the strategic management process with a high rate of failure. The potential of strategy implementation being the key determinant for public service delivery has been under-researched yet competition in public service delivery continuously stiffens.

Buuni et al., (2015) say that many organizations fail to implement their strategic plans for a couple of 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 and 95% of a typical workforce doesn't understand the strategy implemented and this derails their expected performance. Unfortunately, public service delivery is still wanting and little research has been pursued to establish whether strategy implementation has an effect on performance thus this research intended to bridge that gap.

It is important for every organization, public and private, that their performance is measured. In the context of strategic management, this means that a corporation and a

public organization have to think about their competitive advantages, which are difficult to copy by other companies. The firm has to identify its resources in terms of distinctiveness and in the ability to add value as a base of competitive advantage and superior performance (Veldman & Agota, 2015). Companies maximize on improving their performance by involving employees' contributions in creating appropriate control systems which put emphases on integrating different functions within the organization. This enables management to obtain efficiency, quality service, innovation, and responsiveness to customers' needs which are key ingredients to obtaining competitive advantage (Charles & Gareth, 2012).

Business and functional strategies are executed to improve performance at the business and functional levels of an organization. The business strategy occurs at the business unit or product level and emphasizes on improvement of the competitive position of a corporation's product or service in the market segment served by the business unit. Functional strategy is concerned with developing and nurturing a distinctive competence to provide a company or business unit with a competitive advantage ( Thomas & David, 2008).

Charles & Gareth (2012), discussed about the balanced scorecard model stating traditionally, performance has been measured and evaluated using financial measures such as profits and return on investments. If strategic managers are to obtain a true picture of performance, the financial information must be supplemented with performance measures that indicate how well an organization has been achieving the four building blocks of competitive advantage that is efficiency, quality service, innovation, and responsiveness to customers' needs. This is because financial results inform on

decisions already pursued while other measures inform on how accurately the organization has in place the building blocks that drive future performance (Hill & Jones, 2012).

### **1.1.1 Strategy Implementation**

Charles & Gareth (2012), describe strategy as a specific pattern of decisions and actions that managers take to achieve superior performance. Many strategies can be described as generic in that they can be applied in different sectors of an economy. Thompson (1993), describes strategy as matching company resources and skills with environmental opportunities and risks it faces and the purposes it wishes to accomplish.

Andrews et al., (2011) term strategy implementation as the communication, interpretation, adoption, and enactment of strategic plans and is widely perceived to be a significant determinant of performance. According to Rajasekar & Khoud (2014), companies change their strategy to reposition themselves and adapt or react to market opportunities and threats; when considering how to implement a strategy, most probably will constrain any creativity in the new strategy. Therefore, one must strike a balance between an innovative and workable strategy and its successful implementation (Geoffrey, 2010).

According to Muendo (2015), strategy implementation entails identification of measurable, mutually determined annual objectives which convert long-term objectives into specific, short-term goals. Successful strategy implementation depends upon skills of working through others (delegation), organization, and motivation, culture, building and creating strong fits between strategy and how the organization does things. In this study,

strategy implementation was evaluated in terms of leadership, culture and organizational structure.

Effective leadership is necessary for strategy implementation. Managers have a role to influence members of an organization to adopt the behaviours needed for strategy implementation. Proper management involves communication and motivation as well as changes in corporate values and culture. Top managers seeking to implement a new strategy may find it useful to build coalitions and persuade middle managers to go along with the strategic plan and its implementation (Rajasekar & Khoud, 2014).

If top management involve other managers during strategy formulation, implementation will be easier because managers and employees will better understand, and be more fully committed to the new strategy, which increases the chances of realising estimated performance (Rajasekar & Khoud, 2014).The culture within an organization should support the strategies which are implemented, which would lead to an enhancement in performance within the organisation.

The proposed strategy should preserve, emphasise, and enhance the culture, in accordance with the culture supporting the proposed strategy. Therefore, strategies to be implemented must be consistent with organisational culture to realise the desired organisational performance results (Muchira, 2013).

Organizational structure plays a role in coordinating the activities of employees so that they work effectively to implement a strategy that increases competitive advantage, which in turn boosts performance. The role of organizational structure is to provide the



vehicle through which managers can coordinate the activities of the various functions or divisions to exploit fully their skills and capabilities (Charles & Gareth, 2012).

Studies done in the US revealed that certain companies have employed marketing strategies which did not translate to anticipated performance. Taylor (2015) did an assessment of certain international companies in the USA that implemented some of their marketing strategies that gave out disappointing results. In 2012, Huggies, a company that specializes with diapers, made an advert on a modified product that would help fathers look after their babies in case they are left in-charge of them.

This advert received a huge backlash from customers, where they termed it as backward and eventually did not generate the intended level of sales for the company, thus their strategy implementation did not improve their performance. This study investigated why there are a big number of customer complaints, yet NCWSC have strategies implemented that would improve on their performance.

The above cited studies indicate that there was an existing knowledge gap in determining the effect of strategy implementation on performance and how the external environment has a moderating effect on the relationship between strategy implementation and performance on Nairobi City Water and Sewerage Company.

### **1.1.2 External Environment**

The external forces in the business environment have an impact on the running of a business. These forces are beyond the control of a business and affect its operations businesses survive and succeed when they are able to adapt to the changing business environment (Brooks & Weatherston, 2000). The external business factors can be divided

into micro and macro business environment. The micro environment consists of factors that directly influence the operations of a business, comprising of suppliers, marketing intermediaries, customers, public perceptions and financiers. The macro environment comprises of factors a business has no control over and have an indirect influence on its operations. These factors consist of economic factors, political factors, socio-cultural factors, technical factors, legal factors and environmental factors.

Moric et al., (2014) did a research on the moderating role of external environment on entrepreneurial orientation and business performance relationship among Italian small enterprises. Entrepreneurial orientation was measured using such corresponding variables: innovativeness, proactiveness, risk taking, autonomy and competitive aggressiveness. The findings showed that there was a positive relation between the external environment and entrepreneurial orientation and the dynamism of the marketplace had an influence on the entrepreneurial orientation variables and performance.

Ensley, Pearce, & Hmieleski (2006), did a research on the moderating effect of environmental dynamism on the relationship between entrepreneur leadership behavior and new venture performance. The findings indicated that environmental dynamism had a significant positive moderating effect on the relationship between transformational leadership and new venture performance and a negative moderating effect on the relationship between transactional leadership and new venture performance.

These studies showed how the external environment had a moderating effect on various variables but there has yet been a study that has been conducted on how the external

environment has moderating effect on the relationship between strategy implementation and performance variables on Nairobi City Water and Sewerage Company, therefore this study intends to fill that gap.

### **1.1.3 Nairobi City Water and Sewerage Company**

The Nairobi City Water and Sewerage Company (NCWSC) was incorporated in December 2003 under the companies Act, Cap 486. It is a wholly owned subsidiary of the City Council of Nairobi (CCN). The Company's formation arose from the enactment of the new Water Act 2002, which created new institutions to manage water resources and services in Kenya. Water service provision in Kenya is governed by the Water Act 2002 which brought about reforms in the water sector aimed at facilitating access to clean water and sanitation services to all Kenyans (Water, 2015).

The reforms saw the creation of 8 regional Water Service Boards (WSBs) under the Ministry of Environment, Water and Natural Resources (MEWNR). WSBs are responsible for overseeing the operations of water and sewerage/sanitation utilities in their respective areas of jurisdiction. The Athi Water Service Board (AWSB) oversees NCWSC and 11 other water service providers (Water, 2015).

The Water Service Boards are in turn regulated by the Water Services Regulatory Board (WASREB). This is a non-commercial State Corporation established in March 2003. The mandate of the institution is to oversee the implementation of policies and strategies relating to provision of water and sewerage services. WASREB sets rules and enforces standards to ensure that consumers are protected and have access to efficient, affordable and sustainable services. Its powers are set in the Water Act, 2002 (Water, 2015).

The Act separates policy formulation, regulation and services provision. In the Constitution of Kenya, decreed in 2010, the Ministry of Water and Environment delegated authority to the devolved units of the County Governments. NCWSC, as a service provider, signs a five year Service Provision Agreement with AWSB and an annual performance contract with the Nairobi City County (NCC). NCC has developed an integrated development plan which is anchored in national policies and plans such as Vision 2030 and its second Medium Term Plan 2013-2017(Water, 2015).

In the recent past the company has published notices on various media outlets on its inability to fully satisfy its customers' needs in terms of providing adequate water supply. Yet, the company has formulated and implemented strategies to enhance its performance in offering quality service and increasing customer satisfaction. The purpose of this study is to evaluate the effect of strategy implementation on performance in Nairobi City Water and Sewerage Company.

Nyaga (2007) did an investigation on the strategies used by the Nairobi City Water and Sewerage Company and the challenges the company faces in the implementation of strategy. The findings were that focus-cost leadership strategy and a combination of generic strategies developed by Michael Porter were more pronounced in the company. This research investigated the effect of strategy implementation on performance of Nairobi City Water and Sewerage Company.

64 % of the population of Nairobi has access to an individual tap or a yard tap as their main source of water from Nairobi City water and Sewerage Company. A resident of Nairobi County in a middle or higher income class neighbourhoods, enjoys connection to

the piped water network while residents living in a lower income area might not have an individual tap and thus would rely on other sources to access water (coverage: 70 %). Slum dwellers (coverage: 12 %) depend entirely on other sources of water such as water kiosks, handcarts, and private boreholes with a variation of quality water being sold. The statistics describe the level of neglect which characterises these areas by Nairobi City Water and Sewerage Company (NairobineWS, 2016).

### **1.2 Statement of the problem**

Although Nairobi City Water and Sewerage Company have been implementing their strategies, their performance especially in terms of offering quality service and customer satisfaction is still wanting. The company was incorporated in 2003 for it to improve the quality of water and sewerage services being offered by the county government. This foresight has not yet been actualised since the number of customer complaints is still high.

Customers experience prolonged water shortage during dry spells, several blocked water pipes are yet to be unclogged, and their response time to such queries is unsatisfactory. Over the last decade, there has been an explosion in the population in Nairobi County, that has bred increased cases of illegal connection of water-pipes, the abuse of sewerage for farming and the use of waste water for cleaning in businesses especially in informal settlements (Water, 2015). The question as to whether strategy implementation actually improves performance still remains unclear since it is documented in their strategic plans so as to monitor and evaluate progress.

Previous studies on strategy implementation for example, Mutunga (2013) investigated on implementation of turnaround strategy on Kenya Broadcasting Corporation where the objectives were to establish which turnaround strategies were implemented and how they were implemented. The study used a case study research design while data collection was conducted via conducting interviews and accessing company's financial statements and corporate plans.

The results were that the implemented turnaround strategies were highly ineffective at KBC during due to factors such as steep competition from other media houses, political interference, obsolete technology, inherent bureaucracy etc. The recommendations were all highlighting that KBC should streamline their operations and focus on coming up with alternative sources of funding other than relying on government interventions, so as to combat the setbacks for an improved performance.

Unlike previous studies, this study investigated the effect of strategy implementation on performance focusing on why the Company has performance challenges yet there are strategies in place. The study also employed descriptive and explanatory research design unlike the previous study that adopted a case study research design.

### **1.3 Objectives of the study**

#### **1.3.1 General objective**

The main objective of the study is to investigate the effect of strategy implementation on performance of Nairobi City Water and Sewerage Company, Kenya.

### **1.3.2 Specific objectives**

1. To investigate the effect of leadership in strategy implementation on performance of Nairobi City Water and Sewerage Company.
2. To establish the effect of culture in strategy implementation on performance of Nairobi City Water and Sewerage Company.
3. To assess the effect of organizational structure in strategy implementation on performance of Nairobi City Water and Sewerage Company.
4. To establish the moderating effect of external environment, on the relationship between strategy implementation and performance of Nairobi City Water and Sewerage Company.

### **1.4 Research Hypotheses**

1.  $H_{01}$ . Leadership feature has no effect in strategy implementation and on performance of Nairobi City Water and Sewerage Company.
2.  $H_{02}$ . The culture feature has no effect in strategy implementation and on performance of Nairobi City Water and Sewerage Company.
3.  $H_{03}$ : Organizational structure has no effect on strategy implementation and on performance of Nairobi City Water and Sewerage Company.
4.  $H_{04}$ : External environment does not moderate the relationship between strategy implementation and performance of Nairobi City Water and Sewerage Company.

### **1.5 Significance of the study**

This research would be relevant to management Nairobi City Water and Sewerage Company to uncover how effective strategy implementation would improve performance. Recommendations would highlight on areas that the company would improve on for them to realise a positive outcome on the effect of strategy implementation on performance.

This study would be relevant to many government agencies as they would see the need to come up with policies which support strategy implementation and thus be able to monitor performance using parameters such as efficiency, quality service, innovation, customer satisfaction. Scholars who yearn to build their body of knowledge during their research would find this research resourceful especially while investigating on the area of effective strategy implementation and performance. The researcher would benefit from the study by gaining knowledge in the area of strategy implementation and performance and other researchers who might want increase their knowledge in the same field would find these research resourceful.

### **1.6 Scope of the study**

The study was conducted at Nairobi City Water and Sewerage Company, with its headquarters at Kampala Road, Industrial Area and its target population consisted of the Managing Director, Directors, Managers, Coordinators and Officers who carry out the commercial operations of Nairobi City Water Sewerage Company.

### **1.7 Limitation of the study**

As a result of busy schedules, some respondents do not have enough time to answer the questionnaires especially when they pursuing fieldwork activities, thus to curb this limitation, the researcher used the drop and pick method with relentless follow ups via personal visits and telephone calls to facilitate a speedy response. Some respondents were sceptical on whether to answer the questionnaires because they feared the consequences of conducting this research thus to alleviate their fears the researcher produced a letter from Kenyatta University stating that the research was mainly for academic purposes.



## **1.8 Organization of the study**

Chapter one comprised of the introduction to the chapter, which was made up of the background to the study, statement of the problem, research objectives, research questions, significance of the study, scope of the study and limitations of the study. Chapter two was the literature review where both theoretical and empirical review was carried out. Chapter three discussed the methodology used in the study. Chapter four provided a summary of the study's findings, analysis together with their discussions. Chapter 5 provided a summary of the findings, conclusion and relevant recommendations based on the study's findings.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter explored the existing literature on the effect of strategy implementation on performance of Nairobi City Water and Sewerage Company. The chapter consists of theoretical literature, empirical literature, discusses the research gaps and conceptual framework.

#### **2.2 Theoretical Literature Review**

##### **2.2.1 Resource-Based View Theory**

This theory was postulated by Wernerfelt (1984) stating that firms should be analysed based on the resources they own and not just on the product side at the level of industry while Barney (1986) argues that a firm has the potential to generate sustained competitive advantage from resources that are valuable, rare, inimitable, and non-substitutable (VRIN).

Organizations should develop and implement distinctive competencies, which can be kept unique to the firm and be used to develop a competitive advantage leading to performance enhancement (gaebler.com). The Resource Based Theory is where resources are inputs in a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). Management is involved in deploying resources to perform various activities so that strategy implementation is achieved successfully.

The differences in firm's performances across time are driven primarily by their unique resources and capabilities employed to champion the strategy being implemented (Currie,

2009). Following this theory, the researcher used the following performance measures: efficiency, quality service, innovation and customer satisfaction to investigate the effect of strategy implementation on performance of Nairobi City Water and Sewerage Company.

### **2.2.2 Mintzberg's Model**

This model was postulated by Pascale (1984) showing that the concept of strategy implementation builds its foundation on strategy formulation. Mintzberg (1996) proposes that strategies can be deliberate or emergent where, deliberate strategies are already planned while emergent strategies are unplanned responses to unforeseen circumstances, which does not necessarily follow a top-down planning mechanism. According to Mintzberg (1996), strategies that unfold in this manner are often successful and may be more appropriate than deliberate strategies (Charles & Gareth, 1998).

Strategies have little effect on an organization's performance until its implementation is successful (Tesot, 2012). The business environment plays a big role in choice of strategy and its implementation. Following the theory, this study was seeking to establish the role of the external environment in influencing the relationship between strategy implementation and performance.

### **2.2.3 McKinsey's 7s Model**

McKinsey's model postulated by Athos and Pascale (1981), describes the seven factors critical for effective strategy implementation. The 7-S model identifies the seven factors as strategy, structure, systems, staff, skills, style and shared values. All these factors are interdependent and if either is neglected, the consequence is failure during strategy

implementation Strategy is the plan of action an organization prepares in response to, or anticipation of, changes in its external environment. Structure is described as the way in which tasks and people are specialized and divided, the manner in which authority is distributed; how activities and reporting relationships are grouped; the mechanisms by which activities in the organization are coordinated (Kaplan & Norton 2005).

Systems are formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems (Kaplan & Norton 2005). Traditionally, bureaucratic leadership style was dominant in many organizations but lately, organisations have embraced transformational leadership style which is all inclusive during strategy implementation and has registered significant increase in organisational performance. Skills refer to the distinctive competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships (Kaplan & Norton, 2005).

Staff refers to the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees (Muchira, 2013). Shared values are the core set of values that are widely shared in the organization and are guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees (Kaplan and Norton 2005). Guided by this theory, this study evaluated the effect of the role of leadership, role of culture and organizational structure on the relationship between strategy implementation and performance.

## **2.3 Empirical Literature Review**

### **2.3.1 Performance**

Njagi and Kombo (2014) investigated on the effect of strategy implementation on performance of commercial banks in Kenya. The study variables were strategy implementation and performance. Performance was measured in terms of customer satisfaction, financial performance, internal business processes and innovation and learning. The researcher adopted correlation research design, and a census was conducted on the target population of forty three commercial banks in Kenya.

Pearson's product moment correlation coefficient was used to determine the nature and strength of the relationship between strategy implementation and performance and descriptive research design was used to analyse data. The findings were that there is a strong and positive relationship between strategy implementation and performance, and only 44.8% variation in performance was attributed to strategy implementation, meaning there are other factors that influence performance in a firm. This study used descriptive and explanatory research designs and a combination of stratified and random sampling techniques to establish effect of strategy implementation on performance.

Tesot (2012) conducted a research on effect of strategic management practices on performance of Coffee Development Fund in Kenya. Performance measures were; repayment rates, operation efficiency, increase in loans disbursed and employee productivity. The research design employed was descriptive; the target population consisted of 32 staff of Coffee Development Fund in Kenya. A census sampling

technique was conducted on all effect of strategic management practices on performance of Coffee Development Fund the 32 staff. Data was collected using questionnaires as the data collection tool and they were later analyzed using descriptive statistics and factor analysis.

The conclusion was that when strategy formulation, strategy implementation, environmental scanning and evaluation and control are employed successfully, then an organization will register high performance targets. This literature induced the researcher of this study to investigate the effect of strategy implementation on performance using a larger sampling size of 175 respondents from management.

### **2.3.2 Leadership and Performance**

Christopher (2013) conducted a study on factors affecting implementation of the Kenya Vision 2030 strategy in public sector and the area of study was Kenyatta International Conference Centre. The study variables were organizational leadership commitment, information technology, employees training and organizational cultural values as the independent variables and strategy implementation as the dependent variable. The leadership variable was described using factors such as leadership guidelines, resource mobilization and leadership incentives.

The research design was descriptive and target population was the managers and junior officers which constituted 130 personnel from out which 65 questionnaires were issued and 47 questionnaires were received back complete which represents 75.38 percent return rate. The sample design used was stratified sampling design while data was analyzed using descriptive and inferential statistical analysis techniques. The findings indicate that

38 respondents agree that there is an obstacle with relation to inability to manage change effectively when key employees refuse to take ownership of the strategy which possess as a challenge to management.

The current research analysed leadership through different factors such as: leadership style and skills, communication, decision making and teamwork to assess their effect on performance. It used both descriptive and explanatory research designs during data analysis so as to meet the research gap from the previous study which solely pursued descriptive research design.

Madegwa (2014) investigated on factors affecting strategy implementation in government parastatals and the area of study was National Cereals and Produce Board of Kenya (NCPBK) using top management commitment, coordination of activities, individual responsibilities and organization culture as independent variables and strategy implementation as the dependent variable. The target population comprised of 781 staff members and the researcher used simple random sampling to select and administer questionnaires to 117 respondents.

Descriptive statistics was used to analyse the quantitative data collected using SPSS and presentations were made through percentages, means, standard deviations and frequencies. The study established that to ensure strategy is implemented as intended, senior executives must not spare any effort to persuade the employees of their ideas. The current study investigated the role of leadership in terms of leadership style and skills, communication, decision making and teamwork to assess their effect on performance.

Data analysis was done using descriptive and inferential statistics and sampling was conducted through stratified and random sampling techniques.

### **2.3.3 Culture and Performance**

Christopher (2013) conducted a study on factors affecting implementation of the Kenya Vision 2030 strategy in public sector and the area of study was Kenyatta International Conference Centre using organizational culture as one of the independent variables. The factors affecting organizational culture were employees' identity with organizational values and relevance of the values. The research design was descriptive and target population was the managers and junior officers which constituted 130 personnel.

The findings were that the respondents agreed their organizational culture was not supporting vision 2030 especially when evaluating departmental objectives thus making the strategy irrelevant. This study viewed how organizational culture in terms of principles and values, information sharing and actions and behaviour had an effect on the relationship between strategy implementation and performance with a target population of 324 respondents consisting of the management team only, as opposed to the previous study which used both management and junior officers.

Njagi and Kombo (2014) investigated on the effect of strategy implementation on performance of commercial banks in Kenya. The study variables were strategy implementation and performance. A correlation research design was adopted, and a census was conducted on the target population of forty three commercial banks in Kenya. Pearson's product moment correlation coefficient was used to determine the nature and



strength of the relationship between strategy implementation and performance and descriptive research design was used to analyse data.

The findings were that an organization should match up its organizational culture with formulated strategy for effective strategy implementation so as to realise better performance. The current study investigated the role of culture on the relationship between strategy implementation and performance of Nairobi City Water and Sewerage Company which is a public sector entity. This study shows how the external environment, plays the role of a moderator variable in influencing the relationship between strategy implementation and performance.

#### **2.3.4 Organizational Structure and Performance**

Ogunmokun et al., (2005), investigated on strategy implementation and performance. This study was carried out in Private hospitals in Australia which is a developed country where 388 hospitals received questionnaires via mail, 96 were mailed back and 24 were rejected for having substantial missing items, making it 72 useable questionnaires which yielded a response rate of 18.8 per cent. A Chi-square was used for data analysis.

The majority of the respondents were top management which constituted 81.9 percent of the respondents. The study found out that the changes in organizational structure, enables organizations to register high levels of performance. The research gap in this case was conducting the same study in a developing country such as Kenya, and the factors affecting organizational structure are: formal organizational structures, structural design (tall vs. flat) and alignment of structures to implemented strategy, in a bid to evaluate whether strategy implementation has an effect on performance.

Tesot (2012) conducted a research on effect of strategic management practices on performance of Coffee Development Fund in Kenya. The study variables include strategy formulation, strategy implementation, environmental scanning and evaluation and control as the independent variables while performance as the dependent variable. The research design employed was descriptive; the target population consisted of 32 staff of Coffee Development Fund in Kenya. A census sampling technique was conducted on all effect of strategic management practices on performance of Coffee Development Fund the 32 staff.

Data was collected using a questionnaire and was later analyzed using descriptive statistics and factor analysis. One of the findings was that organizational structure has to be consistent with the set strategies to mitigate cases of inefficiencies, misdirection and fragmented efforts. The research gap in this case was to conduct the research using a combination of stratified and random sampling techniques to investigate on the effect of organizational structure on the relationship between strategy implementation and performance at Nairobi City Water and Sewerage Company.

### **2.3.5 External Environment and Performance**

Moric et al., (2014) did a research on the moderating role of external environment on entrepreneurial orientation and business performance relationship among Italian small enterprises. Entrepreneurial orientation was measured using such corresponding variables: innovativeness, proactiveness, risk taking, autonomy and competitive aggressiveness. The findings showed that there was a positive relation between the external environment and entrepreneurial orientation and the dynamism of the

marketplace had an influence on the entrepreneurial orientation variables and performance.

Ensley, Pearce, & Hmieleski (2006), did a research on the moderating effect of environmental dynamism on the relationship between entrepreneur leadership behavior and new venture performance. The findings indicated that environmental dynamism had a significant positive moderating effect on the relationship between transformational leadership and new venture performance and a negative moderating effect on the relationship between transactional leadership and new venture performance.

Nyaga (2007) did an investigation on the strategies used by the Nairobi City Water and Sewerage Company and the challenges the company faces in the implementation of strategy. The research was a case study and the data was collected using a semi-structured questionnaires sent to the managing director, the five directors of the company and five regional managers. Data was analysed using content analysis, inferential and descriptive statistics.

The Statistical Package for Social Sciences (SPSS) was used to generate data that was used for analysis. The findings were that the business environment plays a big role in the implementation of focus-cost leadership strategy and generic strategies. This research investigated the moderating effect of the role of external environment on the relationship between strategy implementation and performance at Nairobi City Water and Sewerage Company's performance, using descriptive and explanatory research designs.

Emeka et al., (2015), conducted a study on the effect of strategy formulation on organizational performance in Nigeria. The scope of the study was Innoson

Manufacturing Company Ltd which is an automobile company. The objectives were to investigate the extent of the relationship between strategy formulation and organizational structure, examine effects of strategy formulation and worker behaviour and determine the implications of strategy formulation on organizational survival.

The researchers adapted a survey research design, and sample size of 100 was obtained from a total population of 185 workers using the Freund and Williams' formula. Questionnaires were the data collection tools. The study used descriptive statistics and T-test method (T-test statistical technical and non parametric test method (chi – square (x) were used to test the three hypothesis that guided the study. The conclusion was successful strategy formulation and implementation enables firms to thrive in growth and development and manage impending environmental uncertainties.

Organizations that conduct continuous surveys on their business environment stand a better chance of survival, and at best be most competitive against rival companies (Brooks & Weatherston, 2000). This study evaluated the moderating effect of the external environment on the relationship between strategy implementation and performance in Kenya using descriptive and inferential statistics.

## **2.4 Summary of Literature Review and Research Gaps**

Andrews et al. (2011) conducted a research on strategy implementation and public service performance in the United Kingdom. The study noted that governments respond to performance improvement by employing more policies and guidance neglecting the importance of managing strategy implementation so as to boost performance. The research focused on strategy, the relationship between implementation styles and

performance and concluded that no one implementation style can stand alone in a bid to improve performance. However, the research did not conduct a further investigation on some of the factors affecting strategy implementation that have an effect on performance.

This study therefore was seeking to bridge that gap by focus its attention on a public company such as Nairobi City Water and Sewerage here in Kenya. Miguda (2013) investigated on the role of downsizing strategies and corporate performance on commercial banks in Kenya. The study variables were downsizing strategies as the independent variable and corporate performance as the dependent variable. Measures of performance used were productivity, quality and service. The study employed cross-sectional research design and data was analysed using descriptive statistics.

The findings were that while the workforce reduction, organization redesign and systemic downsizing strategies are used by commercial banks in Kenya, certain aspects of these strategies have both positive and negative impact on performance. It did not study on the effect of strategy implementation on performance and thus, this research investigated how effective strategy implementation influenced performance.

In this study strategy implementation was the independent variable and performance the dependent variable which was measured in terms of efficiency, quality service, innovation and customer satisfaction and analyse data was done using descriptive and inferential statistics. Beigzadeh and Ameli (2015) conducted a research on the effect knowledge management has on strategic orientation and performance. Their investigation focused on steel producing companies in Iran with a target population of 219 comprising of managers and professionals.

The study variables were knowledge management, strategic orientation (independent variables) and performance as dependent variable. The research used case study research design and random sampling method. Questionnaires were used as the data collection technique, while Cronbach's alpha was used to test for reliability. The results were that knowledge management has a positive correlation with strategic management and organizational performance. This study was conducted in a public institution in Kenya focusing on the effect of strategy implementation on organizational performance with a sample size of 175 respondents in management.

Richardson (2014) investigated on enhancing strategies to improve workplace performance. The target population was business organizations in Southwest Georgia, USA. The study was mainly focused on strategies management can use to boost employees' productivity to realize an increase in performance. The research design used was case study, with a sample size of 20 managers and data collection technique used was conducting interviews.

The findings were that organizational leaders may increase employee work performance by enhancing strategies that provide a positive assortment of motivational tools and opportunities. The study was conducted in a developed economy, whereas this study focused on the effect of strategy implementation on performance at Nairobi City Water and Sewerage Company, in Kenya which is a developing economy.

Christopher (2013) conducted a research on the factors affecting Kenyatta International Conference Centre in the implementation of the Kenya Vision 2030 strategy. The study variables were leadership commitment, information technology, employee training and

organizational cultural values as independent variables and strategy implementation as the dependent variable. The research employed stratified sampling method and a descriptive research design.

The results were that organizational leadership commitment, information technology, employees training and organizational cultural values were some of the incorporated mechanisms that manage change to facilitate strategy implementation. However, it did not study how the incorporated mechanisms had an effect on performance and therefore, this research intended to bridge that gap. In this study, the factors used to influence strategy implementation were: the role of leadership, role of organizational culture and organizational structure.

**Table 2.1 Research Gap Summary**

<b>Author and Year</b>	<b>Study Area</b>	<b>Study Variables</b>	<b>Findings of the study</b>	<b>Research gap and focus of current study</b>
Andrews et al. (2011)	Strategy implementation and public service performance in the United Kingdom.	Strategy, implementation styles and performance.	Public organizations need to achieve a fit between strategic orientation and style of implementation	This study was conducted in developing country, Kenya, using questionnaires as opposed to interviewing the respondents with a larger sample size of 170 respondents.
Beigzadeh and Ameli (2015)	Effect of knowledge management on strategic orientation and performance.	Knowledge management, strategic orientation, performance.	Knowledge management has a positive effect on strategic orientation and performance.	The study variables are strategy implementation and performance with external environment as the moderating variable.
Christopher (2013).	Factors Affecting	Leadership commitment,	Leadership commitment,	The study investigates the



	Implementation Of The Kenya Vision 2030 Strategy In Public Sector: Kenyatta International Conference Centre	information technology, employees training, organizational culture as independent variables and strategy implementation as dependent variable	information technology, employees training, organizational culture are some of the mechanisms that manage change for strategy to be implemented.	effect of strategy implementation on performance employing descriptive and explanatory research designs with a larger sample size of 170 respondents.
Emeka, Ejim, & Amaka (2015)	Effect of strategy formulation on performance	Strategy formulation and organizational performance	Organizations that conduct continuous surveys on their business environment tend to outdo their competitors.	Use specific factors in the external environment to evaluate their moderating effect on the relationship between strategy implementation and performance
Miguda (2013)	Role of downsizing strategies and corporate performance on	Workforce reductions strategies, organization-redesign	Systematic downsizing offers best option for long-term sustainable	Different measures of performance were be employed:

	commercial banks in Kenya.	strategy, systematic strategy and Corporate Performance	performance.	efficiency, quality service, innovation and customer satisfaction.
Madegwa (2014)	Factors affecting strategy implementation in government parastatals: National Cereals and Produce Board of Kenya	Independent variables were top management commitment, coordination of activities, individual responsibilities and organization culture while strategy implementation was the dependent variable	Senior executives must not spare any effort to persuade the employees of their ideas.	Investigate role of leadership in terms of leadership style and skills, communication, decision making and teamwork to assess their effect on performance using stratified sampling technique.
Njagi and Kombo (2014)	Effect of strategy implementation on performance of commercial banks in Kenya	Strategy implementation and performance.	An organization should match up its organizational culture with formulated strategy for effective	This study investigated the effect of strategy implementation on performance within the public sector

			strategy implementation so as to realise better performance.	
Ogunmokun, Tiana, & Hoda, 2005	Strategy implementation and organizational performance: Private hospitals in Australia	Marketing strategies and organizational performance	Changes in organizational structure, enables organizations to register high levels of performance.	The study was conducted in Kenya and factors affecting organizational structure are: formal organizational structures and the alignment of structures
Richardson (2014)	Enhancing strategies to improve workplace performance	Job satisfaction factors and motivators, performance	Organizational leaders may increase employee work performance by enhancing strategies that provide a positive assortment of motivational tools and opportunities	The study used descriptive and explanatory research designs instead of using case study, target population of 170 respondents in management focusing on role of leadership, role of culture and

				organizational structure effect on performance.
Tesot (2012)	Effect of strategic management practices on performance of Coffee Development Fund	Independent variables: strategy formulation, strategy implementation, environmental scanning and evaluation and control while performance as the dependent variable	Organizational structure has to be consistent with the set strategies to mitigate cases of inefficiencies, misdirection, and fragmented efforts	This study had a bigger sample size of 175 respondents using stratified sampling technique investigating the topic of study.

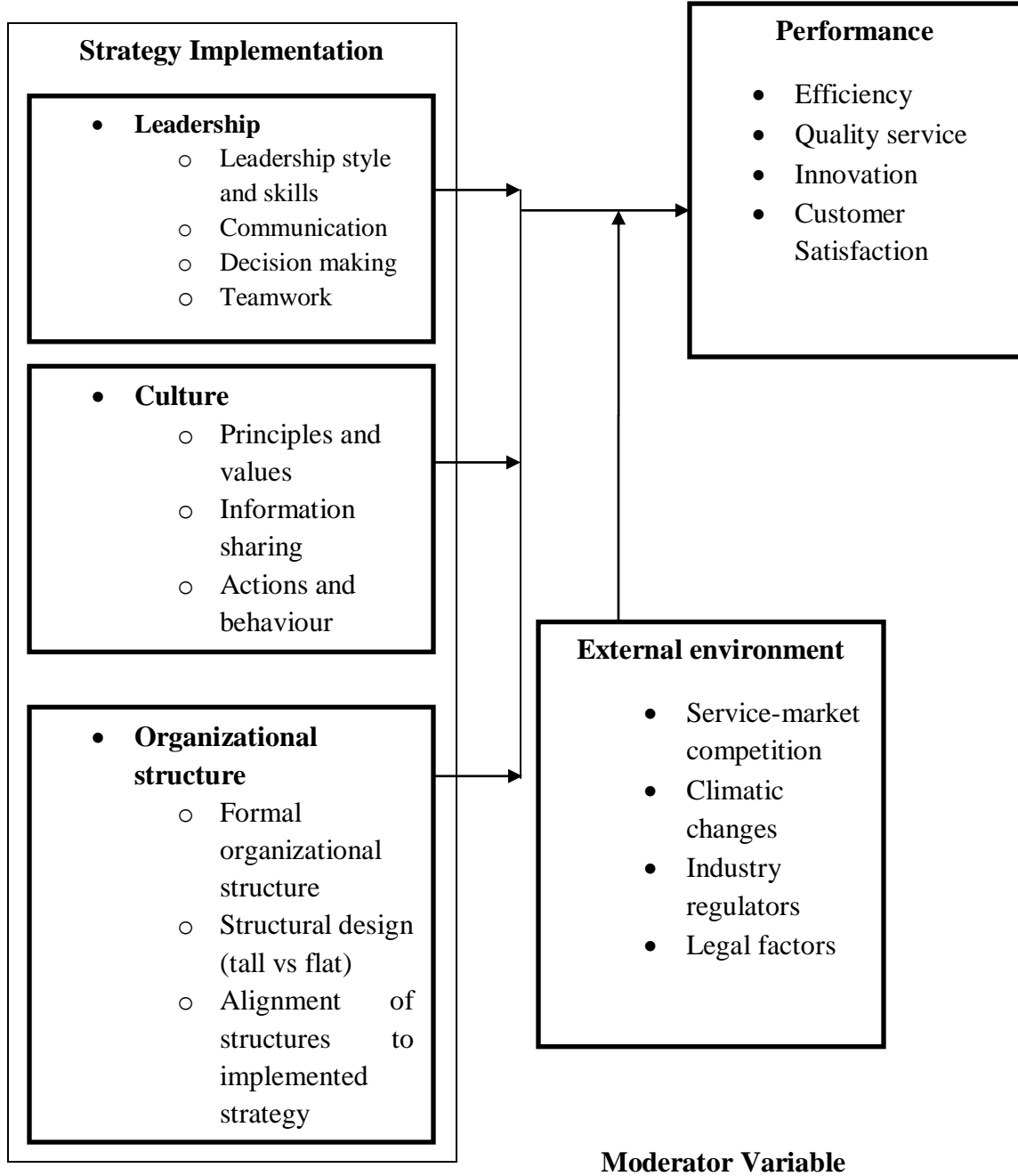
**Source: Author and Literature Review (2017)**

## **2:5 Conceptual Framework**

The relationship between strategy implementation and performance was described using variant variables. In this study, the independent variable was strategy implementation which was influenced by factors such as leadership role, role of culture and organizational structure. The dependent variable was performance which was measured in terms of efficiency, quality service, innovation and customer satisfaction. The relationship between the dependent and independent variables was moderated by the external environment as shown below:

**Independent Variable**

**Dependent Variable**



**Figure 2.5.1 Conceptual Framework**

**Source: (Researcher, 2017)**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter highlighted the research design, sampling methods, population of the study, data collection methods and data analysis procedures that were used for conducting the research.

#### **3.2 Research Design**

The study was conducted using descriptive research design and explanatory research design. Descriptive research design is concerned with describing the characteristics of a particular individual or a group. This done by answering the questions who, what, when, where and how to the objective of the study. A descriptive study determines and reports the way things are, e.g. possible behaviour, attitudes, values and characteristics (Chandran, 2004).

Explanatory research design was used to establish the causal relationships between variables (Saunders et al., 2007). This enabled the researcher to study the relationship between the variables and the degree of that relationship. This study employed explanatory research design to show the associative relationship between strategy implementation and performance, and how the moderator variable (external environment) had an influence on the relationship between the independent and dependent variable.

### 3.3 Target Population

Mugenda and Mugenda (2003) describe a population as a complete set of individuals, cases or objects with some common observable characteristics. The target population consisted of The Managing Director, Directors, Managers, Coordinators and Officers who carry out the commercial operations of Nairobi City Water Sewerage Company. The total target population was 324 as given in the table below;

**Table 3:1 Target Population**

<b>Category</b>	<b>Population</b>
Managing Director	1
Directors	8
Managers	36
Coordinators	80
Officers	200
Total	324

**Source: (NCWSC Human Resource and Administration Department, 2017).**

### 3.4 Sampling methods

To determine the sample size the researcher used a formula used by Fisher et al., (1998):

$$n = \frac{Z^2 pq D}{d^2}$$

Where n=desired sample size of management at Nairobi City Water and Sewerage Company

(Population > 10,000).

Z= standard deviation usually 1.96 to correspond to 95% confidence level.

p= the proportion in the target population estimated to have a particular characteristic =

0.5

q=1-p (1-0.5) =0.5, d=0.05 which is the Degree of accuracy, D=1, the design effect

$$n = \frac{(1.96^2)(0.5)(0.5)}{0.05^2}$$

n=384

Where a population of less than 10,000, the formula is:

$$nf = \frac{n}{1 + n/N}$$

nf= desired sample size for n< 10,000

n=sample population

N= Study population (total number of managers at Nairobi City Water and Sewerage Company).

(Management comprises of: Managing Director=1, Directors=8, Managers=36, Coordinators=80 and Officers=200)

$$nf = \frac{384}{1+384/324} \quad \text{Giving a sample population of 175 managers}$$

Using probability proportional to size, the sample size from each stratum is:

(1; 8/324\*175=4; 36/324\*175=19; 80/324\*175=43; 200/324\*175=108)



Managing Director=1 Directors=4 Managers=19 Coordinators=43 Officers=108 totalling to 175 individuals.

Stratified random sampling technique was used to pick the required number of respondents from each category as illustrated above. To pick 4 directors, 19 managers, 43 coordinators and 108 officers, the researcher had to apply simple random sampling technique.

**Table 3:2 Sampling Frame**

Category	Population	Sample Size
Managing Director	1	1
Directors	8	4
Managers	36	19
Coordinators	80	43
Officers	200	108
Total	324	175

**Source: (Researcher, 2017).**

### **3.5 Data collection Instrument**

This study administered close-ended questionnaires which were based on adapting a 5-point Likert scale. Questions regarding the company's demographic were covered in the first part of the questionnaires which was measured using nominal and ordinal scales. The research questions were used to assess the executives' responses regarding the effect of strategy implementation on performance. The role of leadership, role of culture and the

role of structure were investigated to determine how they influence the relationship between strategy implementation and performance.

The questionnaire assessed the role of the moderator variable, external environment, in influencing the relationship between strategy implementation and performance. The company's published reports were used during as secondary source of data during data collection. To facilitate the respondents' busy schedules, the researcher used drop and pick method and relentless follow-ups via personal visits and telephone calls to facilitate the rate of responses. The researcher ran a pre-test of the questionnaires before actual data collection to avoid misrepresentation and minimize errors. For this research to be carried out, the researcher obtained a letter from Kenyatta University stating the research to be undertaken was mainly for an academic purpose.

### **3.5.1 Validity and Reliability of the Research Instrument**

Mugenda and Mugenda (2003) define validity as accuracy and meaningful inferences which are based on research results. Validity in this research was realised by focusing the questions on the study objectives. Mugenda and Mugenda (2003) have defined reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials.

The researcher tested for reliability using Cronbach's alpha. According to Kline (1999) a value between 0.7 and 0.9 alpha level was considered sufficient level of reliability. The questionnaires were pre-tested before actual data collection so as to avoid misrepresentation of information and to minimize errors. The results of the study should be replicable by a different researcher for the study to be reliable.

### 3.6 Data Analysis and Presentation

The researcher analysed the data obtained during research with descriptive and inferential statistics using SPSS version 21 software. Descriptive statistics was analysed in terms of frequencies, percentages, mean and standard deviation. Inferential statistics such as Pearson's Product Moment Correlation Coefficient (PPMCC) was used to test the nature and strength of the relationship between strategy implementation and performance using (r) as the regression coefficient, to establish how each independent variable affects the dependent variable.

The relationship between strategy implementation and performance was determined using multiple regression analysis further showing the variation in the dependent variable against independent variables using the given model below:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu \text{ Where;}$$

$Y_i$  = Dependent variable (Performance)

$\beta_0$  = Constant

$\beta_1 - \beta_4$  = coefficient of dependent variables

$X_1 - X_4$  = independent variables

$\mu$  = error term

The data presentation was in the form of charts and tables in form of frequencies and percentages. Hypothesis was tested at 95% confidence level.

### 3.7 Ethical Considerations

Information from respondents was treated with utmost confidentiality. Informed consent of the respondents was sort beforehand by giving them a clear explanation of what

information the researcher hopes to obtain and the assurance that confidentiality of the information was observed. The participants experienced no coercion or undue influence during the research.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter consisted of data collected from the field, its analysis and interpretation of the findings on investigating the effect of strategy implementation on performance. Results tests of hypotheses, their interpretation and discussion were then presented.

##### **4.1.1 Response Rate**

The study targeted the management team of Nairobi City Water and Sewerage Company. Out of the 175 questionnaires administered, 146 were filled and returned which translated to a response rate of 83.4% which is within Mugenda and Mugenda (2003) approval for significant response rate for statistical analysis, which they established at a minimum value of 50%. The reliability of the questionnaires was tested and it obtained value of 0.92 alpha level and according to Kline (1999) a value between 0.7 and 0.9 alpha level was considered sufficient level of reliability.

#### **4.2 Background information**

This entailed respondents' general information which included their gender, age, level of education and position held by the respondents as presented below:

##### **4.2.1 Demographic data of respondents' age and gender**

This study sought to find out the age and gender distribution of Nairobi City Water and Sewerage Company. All the respondents were above the age of 20, with majority of the respondents being of the male gender in strata between the age of 25-29 and over 45 years, both constituting 17.1% of the sample. Minority of the respondents were female over the age of 45 constituting 1.4% of the sample. Majority of the female respondents

were between the ages of 40-44 constituting 9.6% of the sample whereas minority of the male respondents between 20-24 and 40-44 constituting 4.1% of the sample. Adults are most productive between the ages of 20-50 years (CBS, 2006). This also showed that the respondents were mature enough and well versed with the decision making role on strategy implementation. This information is presented in the table below:

**Table 4.1 Distribution of respondents' age and gender**

Gender	Age (Years)													
	20-24		25-29		30-34		35-39		40-44		45+		Total	
	n	%	n	%	N	%	n	%	n	%	n	%	n	%
<b>Male</b>	6	4.1	25	17.1	12	8.2	13	8.9	6	4.1	25	17.1	<b>87</b>	<b>59.6</b>
<b>Female</b>	8	5.5	12	8.2	6	4.1	13	8.9	14	9.6	2	1.4	<b>55</b>	<b>37.7</b>
<b>No response</b>	0	0	0	0	0	0	2	1.4	2	1.4	0	0	<b>4</b>	<b>2.7</b>
<b>Total</b>	<b>14</b>		<b>37</b>		<b>18</b>		<b>26</b>		<b>20</b>		<b>27</b>		<b>146</b>	<b>100</b>

Source: (Researcher, 2017)

#### 4.2.2 Demographic data of respondents position and gender

Majority of the respondents were officers of the male gender constituting 39.0% whereas the minority were male managers constituting 2.7% of the sample. There were no female managers. Majority of the female respondents were officers constituting 31.5 % of the sample. This indicated that more gender balance was found among the management staff under the current leadership. However, the cumulative number of male leadership staff was still high in the organization. The dominance of men holding management positions

has been the case in the recent past because women were not allowed to hold such positions until recently (Mbiyu, 2007). This information is illustrated in the table below:

**Table 4.2 Distribution of respondents' position and gender**

Gender	Position						Total	
	Manager		Coordinator		Officer		n	%
	n	%	n	%	n	%		
Male	4	2.7	26	17.8	57	39.0	87	59.6
Female	0	0	9	6.2	46	31.5	55	37.7
No response	0	0	0	0	4	2.7	4	2.7
<b>Total</b>	<b>4</b>	<b>2.7</b>	<b>35</b>	<b>24</b>	<b>103</b>	<b>73.2</b>	<b>146</b>	<b>100</b>

Source: (Researcher, 2017)

#### 4.2.3 Demographic data of respondents' gender and position

The male respondents holding a university degree were the majority constituting 30.8% of the sample, followed by female respondents who hold a university degree constituting 21.2% and male respondents holding a masters degree constituting 19.2% of the sample. Female respondents were the minority holding diploma and masters degree both constituting 8.2% of the sample. These findings show that the company had more undergraduate employees that could be attributed to the magnitude of decision making roles to be undertaken which requires them to be well qualified (Mbiyu 2007). This information is represented in the table below:

**Table 4.3 Distribution of respondents' gender and position**

Education	Gender						Total	
	No response		Male		Female			
	n	%	n	%	n	%	n	%
Diploma/ Certificate	2	1.4	14	9.6	12	8.2	<b>28</b>	<b>19.2</b>
University Degree	0	0	45	30.8	31	21.2	<b>76</b>	<b>52.1</b>
Master's Degree	2	1.4	28	19.2	12	8.2	<b>42</b>	<b>28.8</b>
<b>Total</b>	<b>4</b>	<b>2.8</b>	<b>87</b>	<b>40.4</b>	<b>55</b>	<b>37.6</b>	<b>146</b>	<b>100</b>

Source: (Researcher, 2017)

#### **4.3 Effect of strategy implementation on performance.**

Overall 43.8% of the respondents thought that strategy implementation had a great effect on performance of Nairobi City Water and Sewerage Company. 26% of the respondents thought that strategy implementation has a moderate effect and similarly another 26% thought that it has a very great effect on performance. 4.1% of the respondents thought that strategy implementation had a little effect on performance. This confirms Charles & Gareth, 2012 findings that strategy implementation has an effect on an organization's performance in terms efficiency, quality service, innovation, and responsiveness to customers' needs which are key ingredients to obtaining competitive advantage. This information is presented below:



**Table 4.4 Effect of strategy implementation on performance**

Position	Little		Moderate		Great		Very great		Total	
	n	%	n	%	n	%	n	%	N	%
Manager	0	0	0	0	4	2.7	0	0	<b>4</b>	<b>2.7</b>
Coordinator	2	1.4	11	7.5	12	8.2	10	6.8	<b>35</b>	<b>24</b>
Officer	4	2.7	27	18.5	48	32.9	28	19.2	<b>107</b>	<b>73.3</b>
<b>Total</b>	<b>6</b>	<b>4.1</b>	<b>38</b>	<b>26</b>	<b>64</b>	<b>43.8</b>	<b>38</b>	<b>26</b>	<b>146</b>	<b>100</b>

**Source: (Researcher, 2017)**

#### **4.4 Factors affecting performance**

Performance through efficiency was determined, when respondents were asked on the extent the company provides consistent supply of clean water to their customers and the response was that 39.0 % of the respondents stated that the company’s provision was to a great extent. 28.8% think that it’s to a very great extent, 28.1% think that it’s to a moderate extent, and 4.1% think that it is a little extent. The question as to the extent the company has improved on rendering to its customers swift and efficient services got a response of 62.3% of the respondents stating that it was to a great extent, 18.5% responded by answering that it was to a moderate extent, 15.1% stated that it was to a very great extent and 4.1% stated it was to a little extent.

Performance through quality service was determined by questioning the extent employees have been trained on the importance of customer relationships, where 36.3%

responded by stating it was by a very great extent, 28.1% to a moderate extent, 26.7% to great extent and 7.5% to a little extent. Another aspect of quality service being questioned was the extent to which mechanisms have been put in place for handling customer complaints promptly where 44.5% answered that it was to a great extent, 40.4% stated to a very great extent, 12.3% answered to a moderate extent and 2.7% stated to a little extent. The respondents were also asked on the extent to which the company responds to customers' suggestion with regards to services being rendered and 34.9% responded by answering that it was to a moderate extent, 32.9% stated it was to a great extent, 21.9% answered to a very great extent and 1.4% answered that it was to a little extent

Performance was measured using innovation by asking the respondents on the extent to which customers have ease when using the company's e-services and the response was that 34.9% answered that it was to a great extent, 24.7% stated that it was a very great extent, 23.3% stated it was to a moderate extent, 14.4% answered that it was to a little extent and 2.7% answered that there was no extent. The respondents were also asked to what extent the company has alternative resources that conveniently supply water to customers and the response was that 39.7% stated that they were available to a moderate extent, 27.4% stated that it there was no extent, 16.4% answered it was to a great extent and 15.1% answered it was to a very great extent.

Customer satisfaction was also used to measure performance by asking on the extent the company offers adequate water supply at pocket friendly prices to its customers and the response was that 43.2% stated that it was to a great extent, 30.1% answered that it was to a very great extent, 19.9% answered that it was to a moderate extent. 4.1% stated that

it was to a little extent and 1.4% answered that there was no extent. The question on the extent to which the company periodically carries out market surveys to understand customer needs had the following responses: 31.5% of the respondents answered that it was to a great extent, 26.7% stated that it was to a moderate extent, 19.9% stated that it was to a very great extent, 17.8% stated it had a little extent and 2.7 stated that there was no extent.

Respondents were asked on the extent the company remedies its customer complaints transparently and effectively and the responses were: 38.4% stated the extent was great, 32.9% responded that the extent was moderate, 17.8% stated that the extent was very great, 4.1% responded that the extent was little and 1.4% responded that there was no extent. Since the standard deviation was less than 1, then this meant that the respondents had a similar insight on performance. This confirms findings by Njagi and Kombo (2014) that strategies that are implemented to impact certain measures of performance tend to favour the organization's productivity. This information is presented in table below:

**Table 4.5: Factors affecting performance**

Performance N=146	No response		No extent		Little		Moderate		Great		Very great		Mean	Std Dev
	n	%	n	%	n	%	n	%	n	%	n	%	n	%
<b>Efficiency:</b> 1.Consistent water supply	0	0	0	0	6	4.1	41	28.1	57	39.0	42	28.8	3.9	0.9
2.Swift and efficient customer service	0	0	0	0	6	4.1	27	18.5	91	62.3	22	15.1	3.9	0.7
<b>Quality service</b> 1.Training on customer service	2	1.4	0	0	11	7.5	41	28.1	39	26.7	53	36.3	3.9	1.0
2.Handling of customer complaints	0	0	0	0	4	2.7	18	12.3	65	44.5	59	40.4	4.2	0.8
3.Response to customer suggestions	2	1.4	2	1.4	11	7.5	51	34.9	48	32.9	32	21.9	3.7	1.0
<b>Innovation</b> 1.Easy use of e-services by customers	0	0	4	2.7	21	14.4	34	23.3	51	34.9	36	24.7	3.6	1.1
2.Alternative water sources	2	1.4	0	0	40	27.4	58	39.7	24	16.4	22	15.1	3.2	1.0
<b>Customer satisfaction</b> 1.Adequate water supply at pocket friendly prices	2	1.4	2	1.4	6	4.1	29	19.9	63	43.2	44	30.1	4.0	0.9
2.Periodic market surveys	2	1.4	4	2.7	26	17.8	39	26.7	46	31.5	29	19.9	3.5	1.1
3.Response to customer complaints	0	0	2	1.4	14	9.6	48	32.9	56	38.4	26	17.8	3.6	0.9

**Source: (Researcher, 2017)**

#### **4.5 Evaluating the role of leadership**

Role of leadership in affecting strategy implementation was evaluated by questioning on the extent to which leadership skills and styles support strategy implementation and the responses were as follows: 41.8% answered that the extent was great. 34.2% stated that the extent was very great, 18.2% answered that the extent was moderate, 2.7% stated that there was no extent and 2.1 % answered that the extent was little. The question on the extent management takes initiative to attend to customers' needs had the following

responses: 50.7% answered that the extent was great, 26.0% stated the extent was moderate, 16.4% stated the extent was very great, 5.5% answered the extent was little and 1.4% answered there was no extent. The question on the extent leadership has set in place measures to curb malpractices received the following responses: 45.2% stated the extent was great, 24.7% stated that the extent was moderate, 19.2% answered that the extent was very great and 11.0% stated that the extent was little. When questioned about the extent leaders set a good example to the employees on customer service 34.2% of the respondents indicated that the extent was great, 31.5% stated that the extent was very great, 24.7% answered that the extent was moderate and 11.0% stated that the extent was little.

The respondents were also asked to rate the extent the role of customer service is well understood by employees in achieving the company's vision and the responses were as follows: 34.9% stated that the extent was great, 33.6% answered that the extent was very great, 21.2% answered that the extent was moderate and 20.3% stated that the extent was little. Since the standard deviation was less than 1, then this meant that the respondents had a similar opinion on the issues discussed. This study established findings by Madegwa (2014) that senior executives must not spare any effort to incorporate employees' ideas so that increase chances of successful strategy implementation. The information is presented in the table below:

**Table 4.6 Evaluating the role of leadership**

Role of leadership	No response		No extent		Little		Moderate		Great		Very great		Mean	Std Dev.
	n	%	n	%	n	%	n	%	n	%	n	%		
N=146														
Leadership skills and style support strategy implementation	0	0	4	2.7	3	2.1	28	18.2	61	41.8	50	34.2	4.0	0.9
Management involved in customer satisfaction	0	0	2	1.4	8	5.5	38	26.0	74	50.7	24	16.4	3.8	0.8
Measures to curb malpractices	0	0	0	0	16	11.0	36	24.7	66	45.2	28	19.2	3.7	0.9
Good example set by management	0	0	2	1.4	12	8.2	36	24.7	50	34.2	36	31.5	3.9	1.0
Importance of customer service understood by all	0	0	0	0	15	10.3	31	21.2	51	34.9	49	33.6	3.9	1.0

Source: (Researcher, 2017)

#### 4.6 Evaluating the role of culture

Role of culture as a factor affecting strategy implementation was based on asking the respondents questions such as, the extent their organization can be portrayed of having a happy culture and the response was: 39% thought it was to a moderate extent, 36.3% stated that it was to a great extent, 12.3% thought it was to a little extent, 11.0% answered it was to a very great extent and 1.4% thought there was no extent. The question on the extent staff is empowered to take charge and solve problems to enhance customer satisfaction received the following responses: 46.6% stated that it was to a

great extent, 20.5% answered it was to a moderate extent, 16.4% stated it was to a very great extent, 15.1% answered it was to a little extent and 1.4% stated there was no extent.

The respondents were also asked on the extent employees have job security and its reflection on the services rendered to customers received the following reaction: 39.0% answered it was to a great extent, 31.5% stated it was to a very great extent, 19.9% answered it was to a moderate extent, 8.2% stated it was to a little extent and 1.4% stated there was no extent. When asked on the extent employees are appraised on customer satisfaction as part of their performance assessment, 32.2% stated it was to a great extent, 28.1% it was to a very great extent, 20.5% stated there a moderate extent, 13.7% answered it was to a little extent and 5.5% answered it was to no extent.

The respondents were also asked on the extent employees embraced change when a new strategy is implemented and the responses were: 31.5% gave two opinions that it was both to a very great extent and a moderate extent, 17.8% answered it was to a great extent, 11.6% stated that the extent was little and 7.5% stated that there was no extent. The findings were that change in culture greatly impacts on quality service as indicated by the Coefficient of determination (40%) and Regression Coefficient (0.56). Since the standard deviation was less than 1, then this meant that the respondents had a similar opinion on the issues discussed. This confirms Njagi and Kombo (2014) that an organization should match up its organizational culture with formulated strategy for effective strategy implementation so as to realise better performance. This information is presented in the table below:

**Table 4.7: Evaluating the role of culture**

Role of culture	No response		No extent		Little		Moderate		Great		Very great		Mean	Std Dev
	n	%	n	%	n	%	n	%	n	%	n	%		
N=146														
NCWSC has a happy culture	0	0	2	1.4	18	12.3	57	39.0	53	36.3	16	11.0	3.4	0.9
Staff initiative	0	0	2	1.4	22	15.1	30	20.5	68	46.6	24	16.4	3.6	1.0
Job security	0	0	2	1.4	12	8.2	29	19.9	57	39.0	46	31.5	3.9	1.0
Appraisal based on customer satisfaction	0	0	8	5.5	20	13.7	30	20.5	47	32.2	41	28.1	3.6	1.2
Change is embraced	0	0	11	7.5	17	11.6	46	31.5	26	17.8	46	31.5	3.5	1.3

**Source: (Researcher, 2017)**

#### **4.7 Evaluation of organizational structure**

Role of structure as a factor affecting strategy implementation was based on asking the respondents questions such as, the extent employees understand their role in offering quality service to the culture and the response was: 35.6% thought it was to a great extent, 30.1% stated that it was to a very great extent, 24.7% thought it was to a moderate extent and 9.6% thought it was to a little extent. The question on the extent NCWSC has decentralised its structural design for a prompt communication and decision making process had the following responses: 38.4% stated that it was to a great extent, 26.7% answered it was to a very extent, 21.2% stated it was to a moderate extent, 12.3% answered it was to a little extent and 1.4% stated there was no extent.

The respondents were also asked on the extent job tasks are assigned to positions and not people which received the following reaction: 31.5% answered it was to a great extent,



11.0% stated it was both to a very great extent and a moderate extent, 11.0% stated it was to a little extent and 4.1% stated there was no extent.

When asked on the extent activities are coordinated to support strategy implementation the response was: 37.7% stated it was to a great extent, 29.5% it was to a moderate extent, 21.2% stated there a very great extent, 10.3% answered it was to a little extent and 1.4% answered it was to no extent. Since the standard deviation was less than 1, then this meant that the respondents had a similar opinion on the issues discussed. This confirms Tesot (2012) that organizational structure has to be consistent with the strategies in place to mitigate cases of inefficiencies, misdirection and fragmented efforts. This information is presented in the table below:

**Table 4.8 Evaluation of organizational structure**

Role of structure	No response		No extent		Little		Moderate		Great		Very great		Mean	Std Dev
	n	%	n	%	n	%	n	%	n	%	n	%		
N=146														
Importance of quality service is understood	0	0	0	0	14	9.6	36	24.7	52	35.6	44	30.1	3.9	1.0
Decentralization of structural design	0	0	2	1.4	18	12.3	31	21.2	56	38.4	39	26.7	3.8	1.0
Assignment of job tasks	0	0	6	4.1	16	11.0	39	26.7	46	31.5	39	26.7	3.7	1.1
Coordination of activities	0	0	2	1.4	15	10.3	43	29.5	55	37.7	31	21.2	3.7	1.0

**Source: (Researcher, 2017)**

#### **4.8 Evaluation of the external environment**

The moderating effect of external environment on the relationship between strategy implementation and performance was investigated by asking the respondents questions such as, the extent cases of illegal water connections have reduced in informal settlement areas and the response was: 43.2% thought it was to a moderate extent, 26.2% stated that it was to a little extent, 22.6% thought it was to a great extent, 5.5% answered it was to a very great extent and 1.4% thought there was no extent. The question on the extent the company has outwitted its competition by expanding its services to new gated communities received the following responses: 38.4% stated that it was to a moderate extent, 28.1% answered it was to a great extent, 17.8% stated it was to a very great extent and 15.8 % answered it was to a little extent.

The respondents were also asked on the extent the company services are branded for quality and received the following reaction: 41.1 % answered it was to a great extent, 25.3% stated it was to a moderate extent, 22.6% answered it was to a very great extent, 9.6% stated it was to a little extent and 1.4% stated there was no extent. When asked on the extent alternative water supplies have been set up for customers during dry seasons, 33.6% stated it was to a little extent, 26.0% it was to a moderate extent, 16.4% stated there a moderate extent, 14.4% answered it was to no extent and 8.2% answered it was to a very great extent. The respondents were also asked on the extent legal frameworks were harmonised in a bid to offer quality services to their customers and the responses were: 41.8 % answered that it was to a great extent, 34.2% stated that the extent was moderate, 13.7% answered it was to a very great extent and 10.3% stated that the extent was little. Since the standard deviation was less than 1, then this meant that the

respondents had a similar opinion on the issues discussed. This confirms Nyaga's (2007) findings on the same company that external environment plays a big role in strategy implementation and the aftermath is reflected in its performance. This information is presented in the table below:

**Table 4.9 Evaluation of the external environment**

External environment N=146	No response		No extent		Little		Moderate		Great		Very great		Mean	Std Dev.
	n	%	n	%	n	%	n	%	n	%	n	%		
Reduced cases of illegal water connection	2	1.4	2	1.4	38	26.0	63	43.2	33	22.6	8	5.5	3.1	0.9
Competition is outwitted	0	0	0	0	23	15.8	56	38.4	41	28.1	26	17.8	3.5	1.0
Services branded for quality	0	0	2	1.4	14	9.6	37	25.3	60	41.1	33	22.6	3.5	1
Alternative water supply	2	1.4	21	14.4	49	33.6	38	26.0	24	16.4	12	8.2	3.9	0.9
Harmonisation of legal frameworks	0	0	0	0	15	10.3	50	34.2	61	41.8	20	13.7	2.7	0.9

**Source: (Researcher, 2017)**

#### **4.9 Effect of Leadership on Strategy Implementation**

The strength of the relationship between leadership of the organization and efficiency, quality, innovation and customer satisfaction was positive and strong as indicated by correlation coefficient ( $r= 0.51, 0.70, 0.58$  and  $0.61$  respectively). These relationships were statistically significant ( $p<0.05$ ). These relationships had a coefficient of determination of between 26 -49% which was also significant ( $p<0.05$ ). This means that the change leadership influences performance significantly. One way analysis of

variance revealed that the means variability was significantly different ( $p < 0.05$ ). These results indicate that the change in leadership positively impacts on quality service as indicated by the Coefficient of determination (49%) and Regression Coefficient (0.67). These findings confirm the study by Christopher (2013), that leadership should be on the forefront in taking ownership of the strategy so as to increase chances of successful strategy implementation. The study also supports Madegwa (2014) who argues that employees should be made to feel part and parcel of the strategy implementation process for it to be a complete success. This will eventually increase the company's customer satisfaction levels since the employees will be able to highlight bottlenecks early enough and make contributions on possible solutions when given that opportunity. Therefore the role of leadership at Nairobi City Water and Sewerage Company has proved to have a positive impact on the performance.

**Table 4.10 Evaluation of the effect of leadership on strategy implementation**

	Pearson Product Moment		Regression Coefficient		Coefficient of determination		ANOVA	
	r	p	B	P	r <sup>2</sup>	p	F	P
N=146								
Efficiency	0.51	0.00	0.44	0.00	0.26	0.00	50.8	0.00
Quality	0.70	0.00	0.67	0.00	0.49	0.00	135.9	0.00
Innovation	0.58	0.00	0.65	0.02	0.33	0.00	72.2	0.00
Customer Satisfaction	0.61	0.00	0.61	0.00	0.38	0.00	86.4	0.00

**Source: (Researcher, 2017)**

#### **4.10 Effect of culture on Strategy Implementation**

The culture of the organization had a positive and strong influence on quality service and innovation ( $r = 0.63$ ,  $r = 0.62$ ). However the relationship between culture of the

organization and efficiency was moderate but positive ( $r=-0.45$ ). These relationships were statistically significant ( $p<0.05$ ). These relationships had a modest coefficient of determination (21%-40%) which was also significant ( $p<0.05$ ). One way analysis of variance revealed that the means variability was significantly different ( $p<0.05$ ). The findings agree with Njagi and Kombo (2014) who argue that organizational culture supports strategies that an organization implements. For this to work, the organization should endeavour to create a happy culture for its internal customers (employees) for them to create quality customer service to its external customers. Similarly, Richardson (2014) observes that employees should be empowered to take charge and solve problems and also be assured of their job security so as to enhance customer satisfaction. This would enhance change management when the leadership is implementing new strategies. Hence, the role of culture at Nairobi City Water and Sewerage Company has proved to have a positive impact on the performance.

**Table 4.11 Evaluation of the effect of organizational culture on strategy implementation**

	Pearson Product Moment		Regression Coefficient		Coefficient of determination		ANOVA	
	r	p	B	P	r <sup>2</sup>	p	F	P
N=146								
Efficiency	0.45	0.00	0.36	0.00	0.21	0.00	37.5	0.00
Quality	0.63	0.00	0.56	0.00	0.40	0.00	95.8	0.00
Innovation	0.62	0.00	0.64	0.00	0.39	0.00	90.4	0.00
Customer satisfaction	0.55	0.00	0.50	0.00	0.30	0.00	62.8	0.00

**Source: (Researcher, 2017)**

#### **4.11 Effect of organizational structure on Strategy Implementation**

The organizational structure had a positive and strong influence on quality service, innovation and customer satisfaction indicated by correlation coefficient ( $r= 0.62, 0.65,$  and  $0.61$  respectively). However the relationship between culture of the organization and efficiency was moderate but positive ( $r=-0.49$ ). These relationships were statistically significant ( $p<0.05$ ). These relationships had a modest coefficient of determination (24%-43%) which was also significant ( $p<0.05$ ). One way analysis of variance revealed that the means variability was significantly different ( $p<0.05$ ). The findings were that change in organizational structure greatly impacts on innovation as indicated by the Coefficient of determination (43%) and Regression Coefficient (0.89). The findings were that the organization has decentralised its structural design to increase promptness in communication and the decision making process. Results also indicate that job tasks are assigned to positions and not to people. The findings of the study agree with Tesot (2012) investigations which reported that organizational activities should be well coordinated to support strategy implementation so as to mitigate occurrences of inefficiencies, misdirection and fragmented efforts. Therefore, the organizational structure at Nairobi City Water and Sewerage Company has proved to have a positive impact on the performance.

**Table 4.12 Evaluation of the Effect of organizational structure on Strategy Implementation**

	Pearson Product Moment		Regression Coefficient		Coefficient of determination		ANOVA	
	r	p	B	P	r <sup>2</sup>	p	F	p
N=146								
Efficiency	0.49	0.00	0.39	0.00	0.24	0.00	46.0	0.00
Quality	0.62	0.00	0.55	0.00	0.39	0.00	91.2	0.00
Innovation	0.65	0.00	0.89	0.00	0.43	0.00	106.7	0.00
Customer Satisfaction	0.61	0.00	0.58	0.00	0.37	0.00	84.7	0.00

**Source: (Researcher, 2017)**

#### **4.12 Moderating effect of external environment between strategy Implementation and performance**

The direct linear relationship before the interaction was significant before the moderating variable was introduced. After the interaction with the moderating variable, the linear relationship remained significant except for customer satisfaction. This means that the external environment has an effect on the relationship between strategy implementation and performance in efficiency, quality service and innovation not including customer satisfaction.

There is an insignificant moderating effect of external environment on the relationship between strategy implementation and efficiency, quality service and innovation as measures of performance. However, there is potentially significant moderating effect of the external environment on the relationship between strategy implementation and customer satisfaction ( $p < 0.05$ ) as a measure of organizational performance. The results also indicated that cases of illegal water connections in informal settlements were still

high. The findings show that the company is yet to come up with enough alternative water supplies for its customers especially during the dry seasons. However, the company has done a commendable job in outwitting its competition by expanding its services to new gated communities and having its services branded for quality.

**Table 4.13 Evaluation of the Moderating effect of external environment**

		<b>R squared</b>	<b>F Change</b>	<b>Significance(p)</b>
Efficiency	Model 1	0.30	20.3	0.00
	<b>Model 2</b>	<b>0.31</b>	<b>1.77</b>	<b>0.19</b>
Quality	Model 1	0.53	53.3	0.00
	<b>Model 2</b>	<b>0.53</b>	<b>0.25</b>	<b>0.62</b>
Innovation	Model 1	0.47	41.5	0.00
	<b>Model 2</b>	<b>0.47</b>	<b>0.37</b>	<b>0.54</b>
Customer Satisfaction	Model 1	0.45	0.45	0.00
	<b>Model 2</b>	<b>0.52</b>	<b>20.8</b>	<b>0.00</b>

**Source: (Researcher, 2017)**



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the findings of the study with relation to the objectives and research hypothesis outlined earlier in the first chapter of this study. The main objective of this study was to evaluate the effect of strategy implementation on organizational performance, where Nairobi City Water and Sewerage Company was the study area and its management team were the respondents for this research.

#### **5.2 Summary of the findings**

Strategy implementation has been an area that receives bewildering attention as highlighted in the preceding chapters of this report by both businesses and researchers. This study investigated the effects of strategy implementation features in terms of leadership, culture and organizational structure on performance.

The first objective sought to investigate the effect of leadership feature in strategy implementation on performance of Nairobi City Water and Sewerage Company. The results were that the change in leadership positively impacts on quality service as indicated by the Coefficient of determination (49%) and Regression Coefficient (0.67). The results also show that the respondents think the leadership has an effect on strategy implementation to a great extent.

These findings confirm the study by Christopher (2013), that leadership should be on the fore-front in taking ownership of the strategy so as to increase chances of successful strategy implementation. The study also supports Madegwa (2014) who argues that

employees should be made to feel part and parcel of the strategy implementation process for it to be a complete success. This will eventually increase the company's customer satisfaction levels since the employees will be able to highlight bottlenecks early enough and make contributions on possible solutions when given that opportunity. These findings can be backed by the Mintzberg theory (1996) which states that leadership who emphasized on how leadership should involve employees in problem solving activities, to enhance effective processes instead of bearing all the responsibilities. Therefore the role of leadership at Nairobi City Water and Sewerage Company has proved to have a positive impact on the performance.

The second objective was to establish the effect of the component of culture in strategy implementation on performance of Nairobi City Water and Sewerage Company. The findings were that change in culture positively impacts on quality service as indicated by the Coefficient of determination (40%) and Regression Coefficient (0.56). The results also show that the respondents think the culture has an effect on strategy implementation to a great extent. The findings agree with Njagi and Kombo (2014) who argue that organizational culture supports strategies that an organization implements. For this to work, the organization should endeavour to create a happy culture for its internal customers (employees) for them to create quality customer service to its external customers. Similarly, Richardson (2014) observes that employees should be empowered to take charge and solve problems and also be assured of their job security so as to enhance customer satisfaction. Mintzberg theory (1996) states that managers should pay attention to organizational culture especially during change management when

implementing new strategies. Hence, the role of culture at Nairobi City Water and Sewerage Company has proved to have a positive impact on the performance.

The third objective was to assess the effect of organizational structure as a feature in strategy implementation on performance of Nairobi City Water and Sewerage Company. The findings were that change in organizational structure positively impacts on innovation as indicated by the Coefficient of determination (43%) and Regression Coefficient (0.89). The results also show that the respondents think the organizational structure has an effect on strategy implementation to a great extent.

The organization has decentralised its structural design to increase promptness in communication and the decision making process. Results also indicate that job tasks are assigned to positions and not to people. The findings of the study agree with Tesot (2012) investigations which reported that organizational activities should be well coordinated to support strategy implementation so as to mitigate occurrences of inefficiencies, misdirection and fragmented efforts. These findings can be backed by the Mintzberg theory (1996) which advocates for decentralization of big corporations for a speedy decision making process. Therefore, the organizational structure at Nairobi City Water and Sewerage Company has proved to have a positive impact on its performance.

The final objective was to establish the moderating effect of external environment, on the relationship between strategy implementation and performance of Nairobi City Water and Sewerage Company. The findings were that there is insignificant moderating effect of external environment on the relationship between strategy implementation and efficiency, quality service and innovation as measures of performance. The results also show that the

respondents think the external environment moderates the relationship between strategy implementation and performance to a moderate extent. However, there is potentially significant moderating effect of the external environment on the relationship between strategy implementation and customer satisfaction as a measure of performance. The results also indicated that cases of illegal water connections in informal settlements were still high. The findings show that the company is yet to come up with enough alternative water supplies for its customers especially during the dry seasons. However, the company has done a commendable job in outwitting its competition by expanding its services to new gated communities and having its services branded for quality.

### **5.3 Conclusion**

The leadership of Nairobi City Water and Sewerage Company has been actively engaging employees during strategy implementation so as to reduce instances of resistance to change. The organizational culture of Nairobi City Water and Sewerage Company can be described as a happy one which is conducive for new strategies to be implemented. Employees should increasingly be empowered to take charge while performing tasks and problem solving to enhance customer satisfaction.

The company's organizational structure can be described as decentralised which enables prompt dissemination of communication and decision making process. Management has also been clear on assigning job tasks to positions rather than people. This ensured that each employee understands their role in offering quality service to their customers.

The company is yet to offer adequate alternative sources of water supply to its customers during dry seasons while cases of illegal water connections in informal settlement are yet

to reduce. The company has outwitted its competition such as sunken boreholes, within new gated communities in a bid to increase market share.

The study has established that leadership role, organizational culture and organizational structure as features of strategy implementation have a positive effect on performance. The external environment has a significant moderating effect on the relationship between strategy implementation and performance in terms of customer satisfaction, thus the organization should actively set up policies that serve their customers better.

#### **5.4 Recommendations**

The leadership of Nairobi City Water and Sewerage Company should improve on its measures set in place to curb malpractices by the employees towards its customers. They should also increase awareness among the employees on the role of customer service in achieving the company's vision. Since customer satisfaction was the only measure being significantly affected by external environment, the company should employ more policies on improving customer satisfaction.

The company's culture should facilitate appraisal of employees based on customer satisfaction as part of their performance assessment. The company's organizational structure should increasingly monitor its activities to ascertain that they in tune with the strategy being implemented. The management should invest in coming up with alternative sources of water supply during dry spells to reduce cases of water shortages.

#### **5.5 Suggestions for Further Research**

A similar study should be carried out to investigate why the external environment does not have a significant effect on performance in terms of efficiency, innovation and quality

service. The researcher assumed that the company was in the state of equilibrium in that the strategies being implemented might not be revised in the process (cross-sectional research data). Thus other researchers may opt to use a longitudinal research data in order to be able to capture changes that are made to confirm the findings in this research. A similar study should be done focusing on the effect of strategy formulation on performance with a different moderating variable. Other researchers should also investigate whether public institutions in Kenya have set in place alternative solutions to mitigate challenges encountered during strategy implementation.

### **5.6 Contribution to Study Knowledge**

This study has been able to highlight some of the features of strategy implementation that have an overall effect on performance. There has been an in-depth discussion on leadership, organizational culture and structure as strategy implementation features and their effect on performance.

This study has been able to highlight that the parastatal, Nairobi City Water and Sewerage Company, has been able to offer competitive services to its customers as a public institution. This study reveals that business environment has an effect on how public institutions run their operations to achieve customer satisfaction. Public institutions should endeavour to offer a variety of alternative solutions in terms of products and services so as to maintain goodwill among its customers.

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## APPENDICES

### Appendix I : Introduction Letter

**MELODY WANGECI MWANIKI**

P.O. Box 184-00200

Nairobi.

28/4/2017

Dear Respondent,

RE: **INTRODUCTION LETTER**

I am Melody Wangeci Mwaniki, a postgraduate student at Kenyatta University pursuing Master of Business Administration majoring in strategic management. I am carrying out an academic research *Strategy implementation and performance* and your organization has been selected to participate in this study.

This is a questionnaire meant for academic purpose, therefore your assistance in filling it will be treated with high confidentiality and utmost good faith.

A copy of the final report will be made available upon request.

I appreciate your assistance during this exercise.

Yours Faithfully,

Melody W. Mwaniki.

## **Appendix II: Research Permit**

### **Appendix III: Research Questionnaire**

Please fill in this questionnaire as accurately as you can. The responses here will help the researcher evaluate the effect of strategy implementation on performance and will be used for purposes of this study only. The results of the study shall be available to you upon request.

#### **Part A: Demographic Data**

1. Gender

Male                       Female

2. Age

20-24 years                       25-29 years

30-34 years                       35-39 years

40-44 years                       Over 45 years

3. Highest level of education

Diploma/ Certificate       University degree

Masters Degree                       Doctorate degree

4. Position held at Nairobi City Water & Sewerage Company (NCWSC)

Managing Director                       Manager                       Officer

Director                       Coordinator

5. In your own opinion, to what extent do you think strategy implementation has an effect on performance in your organization?

1. To no extent                       3. To moderate extent                       5. To very great extent

2. To little extent                       4. To great extent

6. Please indicate the extent to which your organization performs well in relation to these measures

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

<b>Performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Efficiency</b>					
There is consistent supply of clean water to customers					
There is improvement in the extent of rendering customer services swiftly and efficiently					
<b>Quality service</b>					
Employees have been trained on the importance of customer relationships					
Mechanisms are in place for handling customer complaints promptly					
Response to customers' suggestions in respect of the services rendered					
<b>Innovation</b>					
Ease of using e-services by customers					
There are alternative resources that conveniently supply of water to customers					
<b>Customer satisfaction</b>					
Adequate water supply is offered at a pocket friendly price					
Market surveys are periodically carried out to understand customer needs.					
Remedying customer complaints transparently and effectively					

7. To what extent does **leadership** have an effect on strategy implementation and performance of NCWSC using these factors?

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

<b>Leadership</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Leadership skills and style support strategy implementation					
Management takes initiative to attend to the customers' needs and develop the services rendered to the customers					
There are measures set in place to curb malpractices by the employees towards its customers.					
Leaders set a good example to the employees on how to serve their customers					
Role of customer service is well understood by employees in achieving the company's vision.					

8. To what extent does **culture** affect strategy implementation and performance of NCWSC using these factors?

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

<b>Culture</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The organizational culture can be described by many as a happy culture					
Staff are empowered to take charge and solve problems to enhance customer satisfaction					
Employees have job security and this reflects on the services they offer to the customers					
Employees are appraised on customer satisfaction as part of their performance assessment					
Staff embrace change that comes during strategy implementation					

9. To what extent do the following factors regarding **organizational structure** have an effect on strategy implementation and performance of NCWSC?

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

<b>Organizational Structure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Each employee understands their role in offering quality service to the customers					
The organization has decentralised its structural design for a prompt communication and decision making process					



Job tasks are assigned to positions and not people					
Activities are coordinated to support strategy implementation					

10. To what extent does the **external environment** have a moderating effect on the relationship between strategy implementation and performance of NCWSC using these factors?

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

<b>External environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There are reduced cases of illegal water connections in informal settlement areas					
The company has outwitted its competition by expanding its services to new gated communities					
The company services are branded for quality					
Alternative water supplies have been set up for customers during dry seasons					
Legal frameworks are harmonised in a bid to offer quality service to your customers.					