

THE INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON SERVICE DELIVERY IN THE COUNTY GOVERNMENT OF NAIROBI, KENYA

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Abstract

Poor participation in strategy formulation and absorption of development funds hinders effective strategy implementation, review and leadership in county governments and ultimately affects effective service delivery. The main purpose of this research study was to assess the influence of strategic management practices on Service Delivery in County Government of Nairobi City, Kenya. Specific objectives of the influence of the practice of strategic planning, strategic leadership and strategy implementation on service delivery formed the study. Descriptive and correlation research designs were adopted for the study. The study was anchored on Goal setting, systems, results and theory of everything in operations. The target population consisted of 130 respondents consisting of the county executive committee member, the chief officer, 2 directors, an accountant, finance officer, economist, supply chain officer and 2 office administrators from the thirteen (13) ministries in County Government of Nairobi as at January 2018. Pilot study was conducted in the County Government of Kiambu using a sample size of 20 respondents to test the validity of the constructs of the questionnaire. Data analysis and interpretation was based on descriptive statistics as well as inferential statistics mainly using

SPSS. Out of 130 questionnaires issued, 121 were filled and returned making it a return rate of 121(93.1%). The study findings on objectives revealed that the influence of strategic management practices (strategic planning, strategic leadership and strategy implementation) on service delivery was significant ($t = 3.166$; $p < 0.05$).

Keywords: Service Delivery, Strategic Management Practices, Services, Nairobi County Government, Kenya

INTRODUCTION

Strategic management practices involve the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives (Strickland, 2013). It is the formal process, or set of processes, used to determine the strategies (actions) for the organization. It focuses on many areas, including the integration of management, marketing, finance/accounting, production/operations, research and development and computer information systems (McKiernan, 2006). Strategy as practice perspective looks at strategy as something people do. Strategic practice is based on the common sense idea that we have to relate tactics to strategy and strategic goals. This involves asking what kind of choices organizations must make in order to be effective in the short term and at the same time take on this challenge (McKiernan, 2006).

Strategic management practice consists of four basic elements, strategic planning, implementation, evaluation and control (Makanga, 2017). It is within these four elements that strategic management practices are manifested and is also described as the strategic management process. Strategic leadership is a component of strategic management practice that involves provision of direction and leadership toward implementation of planned strategy. Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses. It includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines.

Strategic management practices can be beneficial when an organization applies approach to strategic management which matches the situation they are in. The benefits according to Adeleke, Ogundele and Oyenuga (2008) bring about clearer definition of objectives, providing better guidance to the entire organization on the crucial point of "what it is we are trying to do" that is, the vision, making managers and organizational members more alert to new opportunities and threatening development. It helps in overcoming risks and

uncertainties and therefore contributes to organization success. Strategy increases the quality of business decisions, creating a more proactive management posture, helping to unify the organization, promoting the development of a constantly evolving business model that will produce sustained, profitability for the business.

Strategic Management Practices

Strategic management practices involve the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. It is the formal process, or set of processes, used to determine the strategies (actions) for the organization. It focuses on many areas, including the integration of management, marketing, finance/accounting, production/operations, research and development and computer information systems (McKiernan, 2006). Strategic management Practice according to Daman (2010) is based on common sense idea that we have to relate tactics to strategy and strategic goals. This involves the choices an organization makes in order to be effective in the short-term and at the same time takes on this challenge and the kind of tools and activities that will help 'mind the gaps' between short-term and long-term goals.

Service delivery in Government ministries

Municipal Research and Services Centre (2013) defines service delivery as the actual producing of a service such as collecting refuse and disposing it or lighting the streets. Whitaker (2010) concurs with this argument and observes that depending on the kind of service being offered, each service has a primary intervention of transforming the customer and that the client himself or herself is the principle beneficiary. Whether it is learning new ideas or new skills (education), acquiring healthier habits (health), or changing one's outlook on family or society (social services), only the individual served can accomplish the change. He or she is a vital co-producer of any personal transformation that occurs (Whitaker, 2010). The service provider or agent can only use his or her skills and conduct activities to facilitate the process. Whitaker further insists that in delivering services, the agent helps the person being served to make the desired sorts of changes by supplying encouragements, suggesting options, illustrating techniques, and providing guidance and advice but the agent alone cannot bring about the change. Both the citizen and the agent together produce desired transformation (Whitaker, 2010).

Statement of the Problem

Poor involvement of relevant stakeholders during project identification and planning processes and poor absorption of development funds hinders effective strategy formulation,

implementation, review and leadership in county governments and ultimately affects effective implementation of strategic management practices and service delivery. Proper strategic management practices should provide a platform for all relevant stakeholders in project identification, timely and adequate absorption of development funds to implementation of planned projects and programs. The County Government of Nairobi has a problem of capital budget absorption rates which averaged at 9.8% in 2013/14, 11.4% in 2014/15 and it is expected to remain below the 30% target in 2016/17(Nairobi County ADP, 2017/2018). This is not isolated to Nairobi County alone. According to the latest report by the controller of budget covering the first quarter of the financial year 2017/2018 between the months of July and September Counties spend 34.27 billion on recurrent expenditure comprising mainly salaries and allowances. Nairobi County spend 4,533,544,429 shillings on recurrent expenditure with 24,571622 shillings expenditure on development budget. This implies that most of the development projects on the county development plan 2017/18 will not be implemented due to delay in timeframes. At the end of the first quarter, the counties are supposed to have spent 25% of their budgets if the public is to benefit from the budgeted monies. The low absorption of budgeted funds denies the people of Nairobi city county benefits to be derived from development projects such as access to quality services in health, agriculture, roads and educational services (Controller of Budget, 2018). A number of studies on strategic management practices in various organizations have been carried out in the past. On the international front Kandie (2010) who studied on influence of strategic management practices in governments in Europe using a correlational research design noted that change is needed when environmental conditions change. In Africa the Rwandese Association of Local Government Authorities (RALGA) in 2010 reported on the factors affecting Performance in local governments. However, it did not empirically examine the strategies that can be adopted to improve Performance in local authorities. Locally a study by Njau (2001) on challenges of strategy implementation concluded that whereas some firms realized the need to change their strategy due to change in the competitive environment, they lacked finances and managerial empowerment to do so. This study therefore focused on the effect of strategic management practices on service delivery in the County Government of Nairobi.

General Objective

The study sought to investigate the influence of strategic management practices on service delivery in the county government of Nairobi city, Kenya.

Specific Objectives

The study was guided by the following objectives:

- i. To examine the influence of strategic planning practice on Service Delivery in the County Government of Nairobi, Kenya
- ii. To explore the influence of strategic leadership practice on Service Delivery in the County Government of Nairobi, Kenya.
- iii. To determine the influence of strategy implementation on Service Delivery in the County Government of Nairobi, Kenya.

Research hypotheses

H₀₁: There is no significant influence of the practice of Strategic planning on Service Delivery in the County Government of Nairobi, Kenya.

H₀₂: There is no significant influence of the Strategic Leadership practice on Service Delivery in the County Government of Nairobi, Kenya.

H₀₃: There is no significant influence of Strategy implementation practice on Service Delivery in the County Government of Nairobi, Kenya.

LITERATURE REVIEW

Theoretical Framework

The Goal Setting Theory

This theory was proposed by Luthan's (1985) while explaining that good intentions do not necessarily lead to performance in the study on organizational justice and decision making. Luthan's (1985) argues that goal setting must be linked with task performance. As such, every employee must understand individual targets and consequences of performance or lack of it. Proponents of this theory such as Van (1996) argue that when employees appreciate the implication of non-performance by being assigned specific and measurable targets, there is overall dedication towards work in an organization. Further, goal setting leads to team effectiveness as individual employees are able to appreciate the interdependence of tasks in a production line (West, 2011). The end result of this approach is elimination or at least reduction of a feeling of prejudice and discrimination while reprimanding unwanted behaviour or rewarding success since it is based on attainment of individual targets (Whitley and Kite, 2010).

The Systems Theory

This theory was first proposed by Dostal (2005) in explaining the organization as a system of subsystems interlinked. In this study, organization is viewed as a system comprising

interconnected and mutually dependent sub-systems. These sub-systems can have their own sub-sub-systems. Daft and Armstrong (2009) were building on earlier studies by Dostal (2015) that perceived a system as composed of some components, functions and processes. This school of thought can be traced from Bakke's (2013) studies which viewed an organization as a system consisting of the following three basic elements: components, linking processes and organizational goals. As applied in some organizations today, especially those involved in manufacturing, proponents of system theory such as Baron and Byrne (2014) view the organization as a society or a social family with various sub-components within the whole.

Results Theory

This theory was proposed by Kusek and Rist (2004) and was originally borrowed from the non-governmental organizations and viewed by scholars such as Kusek and Rist (2004) as the most modern approach to organizational performance. Results theory is now adopted by governments across the world. This was informed by arguments advanced by Kusek and Rist (2004) on results-based management as the best solution to sustained development among the developing nations. Kusek and Rist (2004) developed a monitoring and evaluation system that sought to simplify results framework for monitoring performance.

The Theory of Everything in Operations

The proponent of the theory of everything in operations was Kearney in 2011. The theory holds that in order to achieve operational excellence in service delivery, organizations must not only improve performance within service delivery functions but also promote collaboration across functions. The theory seeks to achieve operational excellence in service delivery through interoperability and improved functions. The theory of everything in operations aims to link existing approaches for enhancing operational excellence through service delivery by evaluating performance in two crucial dimensions. These are functional excellence and interoperability. The former is highly emphasized while interoperability is much neglected.

Conceptual Framework

A conceptual framework shows variables of a study and how they are perceived to relate with each other. The variables captured in a conceptual framework as shown in Figure 1 are independent and dependent variables. In the present study the independent variables comprises of strategic planning, strategic leadership and strategy implementation on service delivery. On the other hand, service delivery in county governments constitutes the dependent variable as shown below.

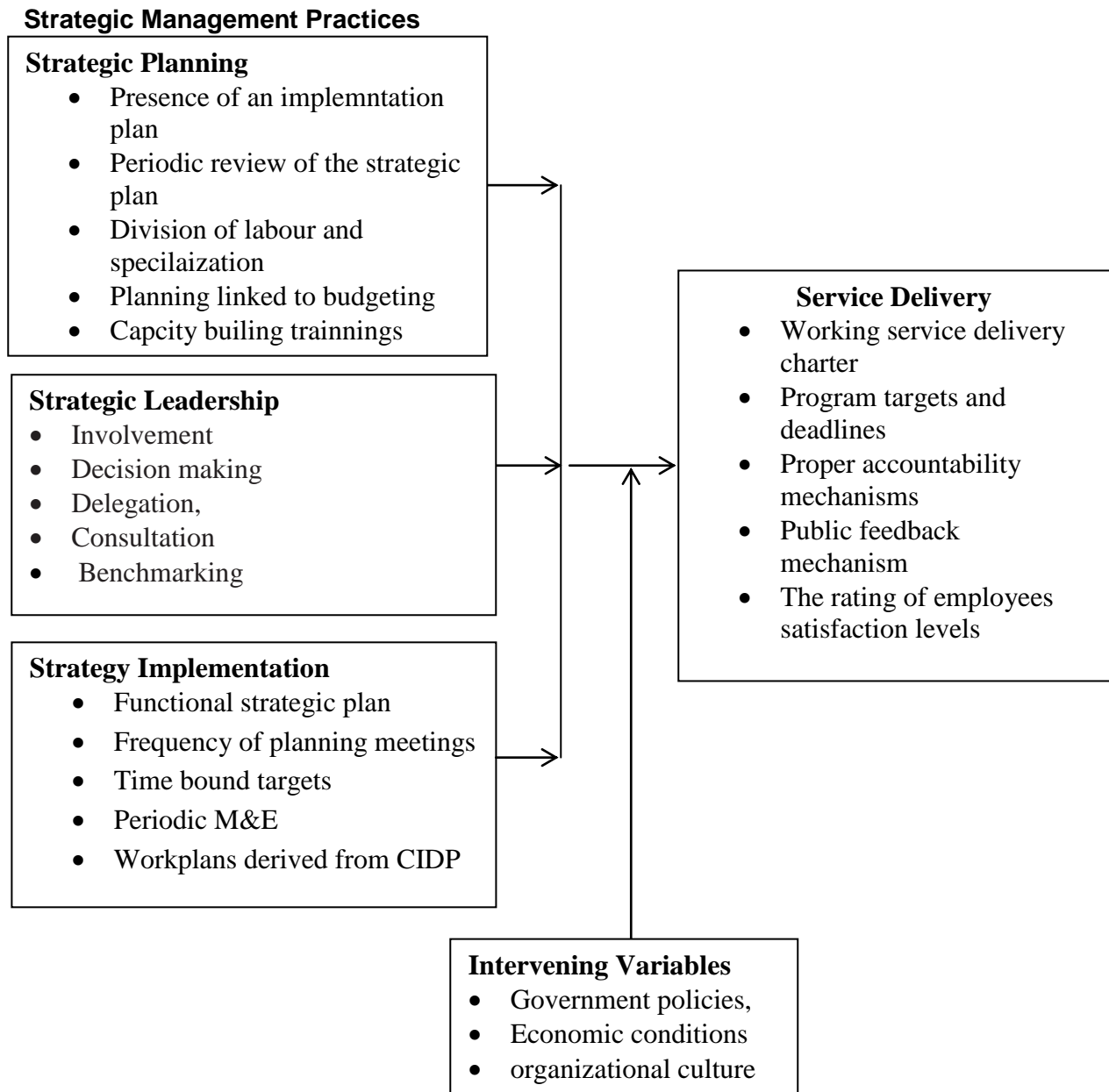


Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

Research Design

The researcher employed descriptive survey and correlation research designs. Descriptive Survey design was suitable as it was used to collect data that describes accurately the nature and extent of influence of strategic planning, strategic planning, and strategy implementation on service delivery (Saunders, 2002). The philosophy for this study was pragmatism since the overall approach to research is that of mixing data collection methods and data analysis procedures within the research process (Creswell, 2003).

Target Population of the Study

The study targeted 130 respondents, ten (10) employees from all the 13 targeted departments consisting of 1 CECM, 1 Chief Officer, 2 Directors, 1 Accountant, 1 Finance officer, 1 Economist, 1 Supply chain officer, 2 Office administrators. Census Study was used to select all the targeted respondents since they are specified in nature.

Table 1: Target Population

SN	Categories of Respondents	No. of respondents per department	No. of departments	Targeted Population
1	CECM	1	13	13
2	Chief Officer	1	13	13
3	Directors	2	13	26
4	Accountant	1	13	13
5	Finance officers	1	13	13
6	Economists	1	13	13
7	Supply chain officers	1	13	13
8	Office administrators	2	13	26
Total		10	13	130

Sample and Sampling Techniques

The sampling technique to be used was census sampling where all the 130 targeted population was sampled to form the sample size of 130 respondents since the targeted population is small in size and specific in composition.

Data Collection Instruments

Data was collected by use of checklists, questionnaires and interview schedules

Validity and Reliability

Validity is the extent to which data instruments are applicable to the targeted population (Kothari, 2014)). The study employed criterion validity to ensure that the measure is what is measured and no other variables. To enhance Validity in this study, the researcher consulted research experts for comments on its appropriateness to the study. Reliability is described as a measure of consistency of a research instrument or data collection tool (Mugenda & Mugenda, 2008). A reliable instrument implies that it can be administered on similar populations and return consistent results. This study employed the Cronbach alpha coefficient which is the most widely

used and recommended test of reliability. Using the Cronbach alpha coefficient, reliability ranges from 0 to 1 with higher values indicating greater reliability. The reliability threshold is alpha coefficient 0.7 for each study construct. This study measured consistency at 0.7 and above.

As indicated all the five study constructs returned alpha coefficients greater than 0.7 which implied that the entire research questionnaire was reliable.

Table 2: Reliability Test Results

No	Study Constructs	Test Items	Alpha Coefficient
1	Strategic planning	7	0.86
2	Strategic recruitment & placement	7	0.81
3	Strategic training and development	7	0.78
4	Service Delivery	7	0.83

Pilot Study

The instruments were pre-tested to ascertain their effectiveness beforehand. To test the instruments, the instruments were piloted in County Government of Kiambu using 20 respondents from the departments. This enabled the researcher to identify the weaknesses of the instruments and make adjustments in readiness to collect data. Items that were found as not clear and not properly structured were revised and improved.

Data Collection Procedures

The research permit was sought from Kabarak University before proceeding to data collection. The researcher sought the consent of the respondents. Then, questionnaire was administered to the respondents in person.

Methods of Data Analysis

Data collected was sorted and coded into SPSS. Descriptive and inferential statistics were employed. This study used frequencies and percentages because of their ease in showing the research findings to the readers (Gay,1992).

Further, Pearson's product moment correlation coefficient, coefficient of determination and multiple regression analysis were used. Correlation were measured at $<_0.05$ where a figure which equals to or is less than 0.05 was deemed significant while a figure that equals to or is above 0.05 was deemed insignificant in the relationship between the variables under study. Coefficient of determination and regression analysis was computed using SPSS. Multiple

regression analysis was computed so as to determine the inter correlation among the variables while qualitative data from interviews was read carefully, paying attention to comments, ideas and concerns from participants transcribed and analyzed. A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable. The multiple regression model is laid below.

The following models was used to analyze each respective objective;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots(i)$$

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon \dots\dots\dots(ii)$$

$$Y = \beta_0 + \beta_3 X_3 + \varepsilon \dots\dots\dots(iii)$$

Regression equation:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots\dots\dots(iv)$$

Where:

Y_i = the dependent variable (service delivery)

X_1 = Strategic planning

X_2 = Strategic leadership

X_3 = Strategy implementation

β_0 = intercept

$\beta_1, \beta_2, \beta_3$ = Beta coefficients

ε = Error term (Epsilon) normally distributed about a mean of 0 and for purpose of computation, the ε is assumed to be zero (0).

ANALYSIS AND DISCUSSION OF FINDINGS

Correlations among the study variables

A bi-variant correlation each of the three independent variables which were Strategic Planning, Strategic Leadership, Strategy Implementation and the dependent variable that is Service Delivery in the County Government of Nairobi.

Table 3. Correlation results

		Strategic planning	Strategic leadership	Strategy implementation	Service delivery
Strategic planning	Pearson Correlation	1	.170	.128	.1218
	Sig. (2-tailed)		.178	.312	.000
	N	121	121	121	121
Strategic leadership	Pearson Correlation	.170	1	.499**	.768**
	Sig. (2-tailed)	.178		.000	.000
	N	121	121	121	121
Strategy implementation	Pearson Correlation	.128	.499**	1	.724**
	Sig. (2-tailed)	.312	.000		.000
	N	121	121	121	121
Service delivery	Pearson Correlation	.1218**	.768**	.724**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	121	121	121	121

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

Error! Reference source not found. shows a statistical significant positive correlation of $r=0.768$ at $p=0.01$ between strategic planning and service delivery. It shows a statistical significant positive correlation of $r=0.768$ at $p=0.01$ between strategic leadership and service delivery. It can also be seen that strategy implementation and Service Delivery are positively correlated with $r=0.724$ at $p=0.01$ which is statistically significant.

Table 4: ANOVA TEST RESULTS

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.413	4	2.103	8.816	0.000 ^a
Residual	11.212	47	0.239		
Total	19.625	51			

a. Predictors: (Constant), strategic planning, strategic leadership, strategy implementation)

b. Dependent Variable: Service Delivery

c. Government policy, economic conditions and organizational culture (intervening variables)

The findings indicated that the association between strategic management practices and service delivery was positive and statistically significant ($F = 8.816$; $p < 0.05$). Therefore, strategic management practices investigated were fundamental in service delivery by the County Government of Nairobi. The intervening variables of Government policy, economic conditions and organizational culture were found to influence the relationship between strategic management practices and service delivery positively. The results also indicate that the model was statistically significant.

Test of Null Hypotheses

In testing the hypotheses, the significance measure is placed at $p < 0.05$; meaning any hypothesis that exhibits a p value (significance) less than 0.05 shall be rejected and one exhibiting significance more than 0.05 shall be accepted.

H₀₁: Strategic planning does not influence service delivery in the County Government of Nairobi.

From the result of analysis the research found that the p value ($0.00 < 0.05$). The result of the analysis is an indication that there is a relationship between the tested variables. We therefore reject the null hypothesis that Strategic planning does not influence service delivery in the County Government of Nairobi. In other words, there is a relation between Strategic planning and service delivery in the County Government of Nairobi.

H₀₂: Strategic leaderships does not influence service delivery in the County Government of Nairobi.

The analysis shows that the p value ($0.00 < 0.05$). The result of the analysis shows that there is a relationship between the tested variables. We therefore reject the null hypothesis that Strategic leadership does not influence service delivery in the County Government of Nairobi. In other words, there is a relation between Strategic leadership and service delivery in the County Government of Nairobi.

H₀₃: Strategy implementation does not influence service delivery in the County Government of Nairobi.

Since the p value is ($0.00 > 0.05$). The result is an indication that a relationship subsist between the tested variables. We therefore reject the null hypothesis that there is no significant relationship between Strategy implementation and service delivery in the County Government of Nairobi. In other words, there is a positive relation between the two.

Influence of Strategic Management Practices on Service Delivery

The study ascertained the influence of strategic management practices as represented by strategic planning, strategic Leadership, strategy implementation on service delivery in the County Government of Nairobi. The results in relation to the foregoing are illustrated in below.

Table 5: Model Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.655 ^a	0.429	0.380	0.48843

a. Predictors: (Constant), strategic planning, strategic leadership, strategy implementation, Government policy, economic conditions and organizational culture

As illustrated, the relationship between strategic management practices and service delivery was established to be positive moderately strong. This meant that delivery of services was likely to be improved with strategic management practices in place. The $R^2 = 0.429$ shows the variation of the dependent variable (service delivery) in respect to the changes in the independent variables (strategic planning, strategic leadership, strategy implementation). The Adjusted R Square = 0.380 shows the variation of the dependent variable (service delivery) in respect to the changes in the independent variables (strategic planning, strategic leadership, strategy implementation). The findings illustrated that 42.9% of the changes in service delivery in the County Government of Nairobi with respect to R^2 and 38% in terms of adjusted RS square were as a result of strategic management practices.

Table 6: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.420	0.448		3.166	0.000
Strategic planning	0.037	0.158	0.048	1.234	0.000
Strategic leadership	0.218	0.197	0.232	1.108	0.000
Strategy Implementation	0.007	0.149	0.008	1.048	0.000

a. Dependent Variable: Service Delivery

The interpretation of the findings is shown in the following regression models.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 1.420 + 0.037X_1 + 0.218X_2 + 0.007X_3 + \varepsilon$$

Table 6 shows that the influence of strategic management practices (strategic planning, strategic leadership, strategy implementation,) on service delivery was significant ($t = 3.166$; $p < 0.05$). All the parameters of strategic management practices examined in this study enhanced service delivery. Furthermore, it was noted that a unit increase in service delivery would require 3.166 increase in strategic planning, strategic leadership and strategy implementation. Lastly, government policy, economic conditions and organizational culture were found to have an intervening influence on the relationship between strategic management practices and service delivery in the county government of Nairobi.

CONCLUSION AND POLICY RECOMMENDATIONS

From this research objective, we can conclude that when county governments formulate strategies with clear timeframes and sufficient budgets, they begin the process of empowering their stakeholders hence the employees will perform better and the public shall be satisfied and shall approve of them. Based on the findings, the study recommends the following;

- i. The study recommends that county governments should link planning to budget for them to be able to effectively implement their programs and projects.
- ii. Departmental strategic planning processes should be all inclusive and participatory to enable holistic capture of views from all stakeholders
- iii. County government executives should embrace delegation and leading from the front in implementation of programs for effective learning and utmost service delivery
- iv. Training should be based on specific tasks and roles as opposed to general trainings which rarely yield much.
- v. County Governments should consider government policies set out in planning and budgeting processes and make it their organizational culture as well as factor in their planning economic uncertainties for effective project implementation
- vi. Lastly, adequate resources should be allocated towards programs and projects to enable the effective implementation of planned activities.

SCOPE FOR FURTHER STUDY

The study suggests that an assessment of the performance of County Governments be carried out in Kenya. In addition, a study on the effectiveness of strategic management practices on service delivery should be extended to the National Government. The role of strategic

management in enhancing financial management in county governments in Kenya is worth investigating. In addition, strategic planning should be investigated and its effect on performance of government corporations ascertained.

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