

Influence of Strategic Management Practice on Successful Completion of Constituency Development Fund – Funded Projects in Rural Areas in Kenya: A Case of Trans-Nzoia County

Matanda Gabriel¹, Dr. Wanyoike Daniel²

^{1,2}School of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract: *Strategic management is a significant part of management and as such application of new strategic management knowledge is necessary for success or failure to complete projects in various rural developments. In Kenya most of the rural areas are under-developed and abandoned; not that they lack resources to boost development, but lack of proper strategies in the development agenda to successfully complete CDF funded projects in the Counties. The CDF was introduced in Kenya in year 2003 and since then, it has been one of the most popular development initiatives in the country. The community is entitled to receive the benefits of strategically completed projects in rural areas as intended by the government and other development partners. Yet, this has not been realized as exemplified by the fact that most of the development projects proposed by the government in rural areas have not yet started, while majority are incomplete. The current study sought to establish the influence of strategic management practice on successful completion of CDF-funded projects in rural areas of Kenya. In particular, it sought to investigate the effects of strategy implementation on successful completion of CDF projects. The study employed survey research method as part of descriptive research design. The target population comprised of 60 CDFC members drawn from the 5 constituencies of Trans-Nzoia County. A census survey was adopted; thus, the sample was equivalent to the target population. A structured questionnaire was used to collect data. 6 CDFC members randomly selected participated in a pilot study that was conducted prior to the main study. The essence of the pilot study was to assess the reliability and validity of the research instrument. Reliability was tested using the Cronbach alpha (α) where factors whose $\alpha \geq 0.7$ were considered. On the other hand, (content) validity was determined by seeking expert advice of the assigned JKUAT supervisor. Using the Statistical Package for Social Sciences software, the collected data was analyzed by use of both descriptive and inferential statistics. All the study findings were presented in form of tables. The study findings revealed that there is a strong and positive correlation between strategy implementation and successful completion of CDF projects. It is concluded that implementation of pertinent strategies is very crucial to successful completion of CDF projects. It is recommended that the CDFCs ought to employ strategic management practices in light of CDF projects. Lastly, it is recommended that all the operations regarding CDF projects should be transparent and the political class should not interfere with such projects unless where it is deemed to be very necessary.*

Keywords: CDF, CDF Act, CDFCs, Strategy implementation, Strategic management

1. Introduction

The orientation towards strategic management in organization occurred shortly after the 2nd world war. The term strategy is associated more with military activities but has been borrowed by management. With emergence of globalization; many organizations have been faced by stiff competition for excellence. Traditional ways of doing business nowadays does not apply hence necessity for the application of strategic management in order to overcome competition and to achieve success in running the organization affairs. In the world today the concept of strategic management practice is inevitable due to various dynamics in the market. The process of strategic management has spread across Africa continent and you could find most organizational leaders talking about among others, strategy implementation and strategy evaluation in most of their discussions in determining successful completion of projects.

Strategic management is a significant part of management and application of new strategic management knowledge is necessary for success or failure to complete projects in various rural developments. Strategic management involves the formulation and implementation of the major initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the

internal and external environments in which the organization competes [4]. Strategic management provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans. Strategic management practice is not static in nature; the models often include a feedback loop to monitor execution and inform the next round of planning. This is a fit, which an organization has within its environment. Strategy is a master plan that delineates critical causes of action towards the attainment of organization's objectives and a blue print that defines the means of deploying resources to exploit present and future opportunities.

Constituency Development Funds (CDFs) dedicate public money to benefit specific political subdivisions through allocations and spending decisions influenced by their representatives in the national assembly. In Kenya most of the rural areas are under developed and abandoned, not that they lack resources to boost development, but lack of proper strategies in the development agenda to successfully complete CDF funded projects in the counties (District Development Committee Reports, 2012). Reports showed no serious studies have been done on how initiated projects in Counties across Kenya. This is against the backdrop of numerous abandoned and incomplete projects, despite the

required resources having been availed to them. Critics in Kenya have further argued that funds from CDF kitty are most often and most easily being spent on short-term projects which benefit a small number of residents. The view expressed by one Kenyan MP was that the CDF must be tied to national goals [3]. The foregoing necessitated the current study on the influence of strategic management practice on the successful completion of CDF funded projects in rural areas.

2. Statement of the Problem

The community is entitled to receive the benefits of strategically completed projects in rural areas as intended by the government and other development partners [5]. But this has not been realized as exemplified by the fact that most of the development projects proposed by the government in rural areas have not yet started, while majority are incomplete. As such, this has resulted in waste of taxes paid by taxpayers to the government [8]. According to the government Third Annual Progress Report (2005-2006), the reason of this problem lies on selected leaders who have been mandated to ensure successful completion of the aforementioned projects.

Misappropriation of the allocated funds, lack of proper structure, illiteracy and wrong choice of projects that cannot match the available resources has impacted negatively on the locals who live in those areas. Failure of leaders on their obligations, has led to under-development, increased poverty levels in rural areas and hence negative economic development which is a burden to the county government balanced scorecard. These circumstances have necessitated the current study which seeks to find out the influence of strategic management practice on successful completion of CDF-funded projects in rural areas.

3. Objectives

3.1 General Objective

To establish the influence of strategic management practice on successful completion of CDF-funded projects in rural areas of Kenya

3.2 Specific Objective

To investigate the relationship between strategy implementation and successful completion of CDF-funded projects in rural areas of Kenya

4. Research Question

What is the relationship between strategy implementation and successful completion of CDF-funded projects in rural areas of Kenya?

5. Conceptual Framework

The conceptual framework diagrammatically outlines the influence of independent variable on dependent variable.

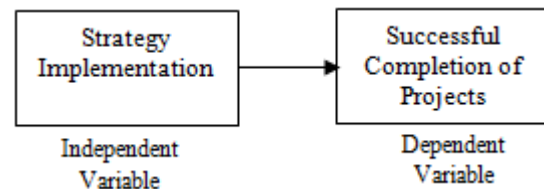


Figure 1: Conceptual Framework

As illustrated in Figure 1, the independent variable is strategy implementation while the dependent variable is successful completion of projects. The framework hypothesizes that there exists a relationship between the two variables. In other words, the independent variable influences the dependent variable. The study will, as such, be guided by the interaction of the aforementioned variables.

6. Literature Review

This part presents a review of theories, and empirical studies that touch on strategic management practice (in particular, strategy implementation) and completion of projects.

6.1 Theoretical Literature

6.1.1 Growth and Portfolio Theory

In the 1970s much of strategic management dealt with size, growth, and portfolio theory. The Profit Impact of Marketing Strategies (PIMS) study was a long term study, started in the 1960s and lasted for 19 years, that attempted to understand the PIMS, particularly the effect of market share. Started at General Electric, moved to Harvard in the early 1970s, and then moved to the Strategic Planning Institute in the late 1970s, it now contains decades of information on the relationship between profitability and strategy. Their initial conclusion was unambiguous: The greater a company's market share, the greater will be their rate of profit.

The high market share provides volume and economies of scale. It also provides experience and learning curve advantages. The combined effect is increased profits. The study's conclusions continue to be drawn on by academics and companies today: PIMS provides compelling quantitative evidence as to which business strategies work and don't work. The benefits of high market share naturally lead to an interest in growth strategies. The relative advantages of horizontal integration, vertical integration, diversification, franchises, mergers and acquisitions, joint ventures, and organic growth were discussed. The most appropriate market dominance strategies were assessed given the competitive and regulatory environment.

There was also research that indicated that a low market share strategy could also be very profitable. It has been shown how smaller niche players obtained very high returns. By the early 1980s the paradoxical conclusion was that high market share and low market share companies were often very profitable but most of the companies in between were not. This was sometimes called the "hole in the middle" problem. This anomaly would be explained by Michael Porter in the 1980s. The management of diversified organizations required new techniques and new ways of thinking in order to operate successfully.

6.1.2 Theory of Project Management

It is asserted that the foundation of project management theory can be broken down into two. That is, the theory of project and theory of management. The theory of project is said to be provided by the transformation view on operations. Projects could be perceived just like a special type of production. In other words, a project is a temporary endeavour carried out in order to create a unique product or service. In the transformation view, a project is conceptualized as a transformation of inputs to outputs. It is further noted that there are a number of principles by which a project is managed. It is exemplified that according to the aforementioned principles, decomposing the entire transformation hierarchically into smaller transformations, tasks, and minimizing the cost of each task independently [6].

Under the theory of management, management is viewed as planning, executing and controlling. In management-as-planning, management at the operations level is seen as consisting of the creation, revision and implementation of plans. This approach to management looks into a strong causal connection between the management actions and outcomes of the organization. It is further assumed that planned tasks can be executed by a notification to the executor of when the task should begin. The management control, on the other hand, consists of a number of elements. There is a standard of performance; performance is measured at the output; the possible variance between the standard and the measured value is used for correcting the process in order for the standard to be reached [7].

In the context of the current study, the CDF-funded projects, in line with project management, undergo transformation. In this case, the projects' inputs are in form of funds they get from the CDF kitty. The funds are supposed to be implemented in order for the projects to be successfully completed. The outputs as illustrated by the project management theory are exemplified by the completed CDF projects. The performance in the case of the aforementioned projects is measured by how successfully the projects are completed.

6.2 Empirical Literature Review

This section delves into studies that have hitherto been conducted on strategy implementation, and projects' completion

a) 6.2.1 Strategy Implementation

Successful implementation of new strategies can be defined either as having adopted a decision, a definition which does not consider the effectiveness of the decision and what was achieved with the decision, or as choosing and implementing an action plan that solves the problem it was intended to solve i.e. the appropriateness of the implemented [9].

It is further argued that implementation success of new action programs in farm businesses to the nature of the program and to personal characteristics and situation of the farmer. Hypotheses about how the nature of the action program and personal characteristics and situation of the farmer influence implementation success, defined as the

extent to which the program solved the problem it was intended to solve, were developed and tested in a generalized logits model. Facilitators and inhibitors of successful implementation of strategic decisions are studied in empirical applications. For instance, Nutt (1999) found that the implementation tactic must be adapted to situational conditions, such as corporate culture and power. It was concluded that a combination of an experience-based, i.e. planned approach and a readiness-based approach provides the best implementation success. Successful implementation was found to depend on clear aims, planning and cultural receptivity, whereas experience, prioritizing implementation, and having abundant resources were found to matter less [9]. In a study on implementation of strategic management practices in the Malaysian construction industry, it is concluded that the application of strategic management practice in organizations can help the organizations in enhancing their performance through improved effectiveness, efficiency and flexibility [1]. The study further proved that the effect of strategic management is positive. Against this backdrop, however, for there to be improved performance, the implementation of strategic management should essentially be conducted properly.

In Kenya, it is argued that there are various project implementation challenges. Some of the challenges related to implementation of CDF project strategies include weak institutional framework supporting the CDF, lack of transparency, and failure to sufficiently address the political imperfections that distorted political incentives to serve all the poor equally. One of the objectives of CDF according to a report by the Open Society Initiative for Eastern Africa - OSIEA [12] is to ensure citizen participation through decision making in project identification, implementation, monitoring and evaluation. Yet, when studying CDF projects in Ainamoi Constituency, Kenya, it was averred that several rural development programmes have failed to realize their desired objectives because of poor organization and implementation strategies [11].

It is further alleged that important elements of project implementation such as organizational design have not fully been managed by the committees in the constituencies. In the OSIEA's report [12], it is alleged that in a survey of 21 districts by National Anti-Corruption Campaign Steering Committee (NACCSC), some constituencies' development committees (CDCs) comprised of MPs' spouses, close relatives and political cronies. It was further observed that numerous forms of corruption inhibited efficiency and effectiveness of CDF. This compounded by the allegation that several MPs have been legislators, implementers and auditors of the CDF projects have compromised the implementation of CDF strategies.

6.2.2 Successful Completion of Projects

In strategic management, a project can be said to be successfully completed if all the elements of planning, choice, analysis and implementation are present. We can say that a project is complete if it has the following factors: user involvement, executive management support, clear statement of requirements, proper planning and realistic expectations. In the Business Monitor International report of year 2010, it is concluded that these were the elements that

were most often pointed to as major contributors to project success. However, these elements alone could never guarantee success. But if these are done well, a project, according to the Standish Group, will have a much higher probability of success. The next category of differentiators from the Standish report deals with projects that proved to be “challenged” that is they were completed but were over budget, over time, or did not contain all functions and features originally required.

It is asserted that though studies on project management have been granted significant [2], less attention is paid to the same in context of strategic management. Project completion is said to be the last stage of the CDF Committee project selection [13]. By year 2011, more than 60,000 CDF projects in various stages of completion had been established throughout Kenya with a significant proportion of them having been completed and in use. A report by OSIEA which was as a result of a study of Vihiga, Sabatia, Emuhaya, and Hamisi constituencies in Kenya put across a number of crucial recommendations [12]. One of the key recommendations was to wind up the CDF through a final disbursement in the following financial year and to complete all pending but viable projects and also repeal the CDF law.

In yet another study on CDF projects in Mwea Constituency, Kenya, about 60% of members of parliament who had billions of CDF money unspent in their respective CDF accounts had incomplete projects [10]. According to the findings of a study on factors influencing management of CDF projects in Ainamoi Constituency, Kenya [11], proper management of CDF is determined by the number of projects completed and the impact the projects have on people's lives. The study further sought to establish whether CDF-funded projects are completed or they remain work-on-progress for a lengthy period of time. They found that majority of the respondents opined that the projects were neither funded fully nor in tandem with the bill of quantity.

7. Research Methodology

A survey research method as part of descriptive research design was employed in this study. It is argued that descriptive research design allows for a detailed profiling and description of the data collected, followed by detailed explanation of the variables under study.

The target population comprised of 60 CDFC members drawn from the five constituencies of Trans-Nzoia County. The study adopted census method whereby all subjects comprising the target population participated in the study. This method was bound to enhance accuracy of the study findings as it eliminated both sampling errors and sampling bias.

The validity and reliability of the research instrument was determined before its administration. This involved pilot testing that comprised of 6 respondents that were randomly selected from the target population. In addition to determining the reliability and validity of the research instrument, the essence of the pilot test was to assess the feasibility of the research study. Cronbach alpha was employed to test the reliability whereby the reliability

coefficient of all variables tested was greater than 0.7, which according to Santos and Reynolds (1999) was more than the minimum requirement of 0.7. Furthermore, content validity was verified through expert opinions from the supervisors from Jomo Kenyatta University of Agriculture and Technology.

7.1 Data Processing and Analysis

The collected data was processed and analyzed using the Statistical Package for Social Sciences (SPSS) software. The raw data was edited and coded into the software before being analyzed using both descriptive and inferential statistics. The study findings were presented in form of tables of frequencies, percentage, descriptive statistics and inferential statistics.

7.2 Research Findings

The researcher issued a total of 54 questionnaires to all CDFC members across the 5 constituencies excluding the ones that participated in the pilot study. 45 out of the 54 issued questionnaires were sufficiently filled and returned. This constituted 83.3 per cent response rate.

7.2.1 Descriptive Findings and Discussions

The study sought to investigate the opinion of respondents (CDFC members) in respect to strategy implementation, and successful completion of projects.

a) Strategy Implementation

Strategy implementation is crucial in implementation of any given project. In light of this foregoing, the current study sought to find out the opinions of CDFC members. After analyzing the pertinent data, the findings are as outlined in Table 1. It is clear that CDFC members agreed (mean \approx 4.00) that application of strategic management practice in CDFCs can enhance their performance through improved effectiveness, efficiency and flexibility; lack of transparency and failure to sufficiently address political imperfections is a challenge to CDF projects; poor implementation of strategies has led to many CDF projects fail to achieve their desired objectives; important elements of project such as organizational design have not fully been managed by the CDFCs; and that corruption and unnecessary interference by local legislator with CDF projects have compromised implementation of CDF strategies.

They were non-committal (mean inclined towards 3.00) to the assertions that the strategic management effect on CDF projects is positive; and that there is weak institutional framework supporting CDF. On the other hand, they differed with the proposition that citizens are allowed to participate in CDF project implementation. The latter proposition returned mean tending towards 2.00 (disagree). Notably, most of the factors on strategy implementation returned large standard deviation (std dev $>$ 1.000) which meant that several CDFC members were divided on their opinions regarding the aforementioned issue.

Table 1: Strategy Implementation

	Min	Max	Mean	Std. Dev
Application of strategic management practice in CDFCs can enhance their performance through improved effectiveness, efficiency and flexibility	1	5	4.42	0.588
The strategic management effect on CDF projects is positive	1	5	3.33	1.314
There is weak institutional framework supporting CDF	1	5	3.13	1.392
Lack of transparency & failure to sufficiently address political imperfections is a challenge to CDF projects	1	5	3.56	1.407
Citizens are allowed to participate in CDF project implementation	1	5	2.44	1.540
Poor implementation strategies has led to many CDF failure to achieve their desired objectives	1	5	4.33	1.537
Important elements of project implementation e.g. organizational design have not fully been managed by the CDFCs	1	5	3.64	1.358
Corruption & unnecessary interference by local M.P. with CDF projects have compromised implementation of CDF strategies	1	5	3.82	1.336

b) Successful Completion of Projects

Table 2 illustrates the findings regarding success completion of CDF projects. The respondents disagreed (mean ≈ 2.00) that project completion is the last stage of CDFC project selection. The respondents were, nevertheless, non-committal whether most of the CDF-funded projects have been completed successfully; and that strategy formulation influences successful completion of CDF projects or not. The mean regarding these two statements tended towards 3.00 (undecided). The respondents concurred (mean ≈ 4.00) with the assertions that proper CDF management is reflected by the number of projects completed successfully; most CDF projects remain work-on-progress for lengthy periods of time; strategy implementation affects successful completion of projects; and that strategic choice and analysis of CDF projects affect the projects' successful completion.

It is noteworthy that regarding successful completion of CDF projects, CDFC members held significantly varying opinions. This is supported by the fact that the standard deviation was conspicuously large across all factors on the aforesaid subject. This could be, probably, due to different stands held by the CDFC members (some CDFC members are professionals while others are political cronies) and fear of antagonizing their membership in the CDFC in case they gave information contrary to the "expectations" of the local sitting member of the National Assembly.

Table 2: Successful Completion of Projects

	Min	Max	Mean	Std. Dev.
Project completion is the last stage of CDFC project selection	1	5	1.82	1.319
Most of the CDF-funded projects have been completed successfully	1	5	2.78	1.241
Proper CDF management is reflected by the number of projects completed successfully	1	5	3.58	1.288
Most CDF projects remain work-on-progress for lengthy periods of time	1	5	4.09	1.041
Strategy formulation influence successful completion of CDF projects	1	5	3.04	1.476
Strategy implementation affects successful completion of projects	1	5	3.63	1.225
Strategic choice & analysis of CDF projects affect the projects' successful completion	1	5	3.76	1.190

7.2.2 Inferential Findings and Discussions

In this section, the study illustrated the findings and discussions that enabled the drawing of relevant conclusions. In other words, the object was to investigate the extent of the effect of strategy implementation on successful completion of CDF projects. The findings are as shown in Table 3. The findings reveal that there is a strong and positive correlation ($r = 0.716$; $p < 0.01$) between strategy implementation and successful completion of CDF projects. This means that slight change in strategy implementation is bound to be reflected in how CDF projects are successfully completed. In other words, implementation of pertinent strategies is very crucial to successful completion of CDF projects.

Table 3: Effect of Strategy Implementation on Successful Project Completion

		Project Completion
Strategy Implementation	Pearson Correlation	.716**
	Sig. (2-tailed)	.000
	N	45

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

7. Summary, Conclusions and Recommendations

In this section key study findings are summarized in tandem with the objectives of the study. The summary facilitates drawing of pertinent conclusions. Lastly, recommendations emanating from the study findings are suggested.

7.1 Summary

It was found that CDFC members concurred that application of strategic management practice in CDFCs can enhance their performance through improved effectiveness, efficiency and flexibility; lack of transparency and failure to sufficiently address political imperfections is a challenge to CDF projects; poor implementation of strategies has led to many CDF projects fail to achieve their desired objectives; important elements of project such as organizational design have not fully been managed by the CDFCs; and that corruption and unnecessary interference by local legislator with CDF projects have compromised implementation of

CDF strategies. CDFC members refuted that citizens are allowed to participate in CDF project implementation. The findings revealed that there is a strong and positive correlation between strategy implementation and successful completion of CDF projects. This means that slight change in strategy implementation is bound to be reflected in how CDF projects are successfully completed. In brief, implementation of pertinent strategies is very crucial to successful completion of CDF projects.

The respondents were found to disagree that project completion is the last stage of CDFC project selection. The respondents concurred with the assertions that proper CDF management is reflected by the number of projects completed successfully; most CDF projects remain work-on-progress for lengthy periods of time; strategy implementation affects successful completion of projects; and that strategic choice and analysis of CDF projects affect the projects' successful completion. It is worth noting that regarding successful completion of CDF projects, CDFC members held significantly varying opinions.

7.2 Conclusions

It is inferred that application of strategic management practices in CDFCs is an essential factor in ensuring successful completion of CDF projects. The implementation of CDF projects has been plagued by lack of transparency and failure to sufficiently address political imperfections. Poor implementation of strategies is concluded to result in many CDF projects failing to achieve their desired objectives. It is further concluded that, implementation of strategies pertinent to CDF projects is constrained by corruption and unnecessary interference by local member of National Assembly. In conclusion, it is worth noting that implementation of pertinent strategies is very crucial to successful completion of CDF projects.

7.3 Recommendations

It is recommended that, the CDFCs ought to employ strategic management practices in light of CDF projects. Furthermore, it is recommended that all the operations regarding implementation of CDF projects should be transparent and that the political class should not interfere with such projects unless where it is deemed to be very necessary.

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Author Profile



Matanda Gabriel is an MBA (Strategic Management) Finalist at Jomo Kenyatta University of Agriculture and Technology, Kenya). He has Bachelors Degree in Business Management & Information Technology (Kabarak University, Kenya). He is both a Certified Public Accountant (CPA-K) & Certified Public Secretary (CPS-K). He has worked as a lecturer at Kitale Institute of Professional Studies; accounts clerk at Kenya Seed Company Ltd; accounts assistant at Elgon Downs Farm-Endebess; and Nakuru branch accountant (Kenya Seed Company Ltd). He is currently a senior accountant at Sim-Law Seed Company Ltd.