

**FACTORS AFFECTING THE IMPLEMENTATION OF THE WATER SERVICES
PROVISION (WSP) STRATEGY AT AMATHOLE DISTRICT MUNICIPALITY
(ADM)**

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Abstract

Amathole District Municipality (ADM) in the Eastern Cape province of South Africa changed its water service provision strategy in 2012 from decentralized to a centralized strategy as a way of trying to improve its water service delivery. Since this change, no study has been done to explore how the centralized water service strategy has so far been implemented at ADM. The aim of this exploratory qualitative study was to describe how ADM implemented its centralized water strategy and also assess the extent of alignment of strategy execution using Higgins' (2005) 8 "S" model.

Purposively, a total of five senior managers were identified and interviewed in East London as they were intimately involved in the daily operation of the water service provision over the years. Data gathered through audio-recorded, in-depth and semi-structured interviews with each of the senior managers and also documented reports on Water Service Provision (WSP) were analyzed using thematic analysis into meaningful patterns reflecting each of the components of Higgins' (2005) 8 "S" model.

Findings of this qualitative study reveal that senior managers had different but complementary views of what strategy they were implementing at ADM. More importantly, the implementation of centralized water services provision model by ADM was characterized by deep and persistent vacancies of key technical but also managerial positions in the new structure. Furthermore while human and financial resources were inadequate to match with the depth and variety of changes necessary to have the requisite number of staff, ADM implemented the centralized water service strategy with poor skills mix which negatively impacted on quality of water service.

While ADM had ten espoused shared values, none of these were commonly and widely shared by employees in their day-to-day world of work. Instead, employee's behavior at ADM was practically shaped by the emergent values of cooperation, and employee care and recognition. Thus there was misalignment between espoused and practiced shared values. Furthermore there was also recurrent and deep misalignment between structure, staff, resources and water quality systems which compounded the difficulties experienced by ADM in pursuit of centralized water service provision. While the use of outsourced mechanical and electrical services was a remedy to staff shortages and the lack of skills mix, it ultimately further aggravated the financial challenges of ADM by draining more of the already limited

financial resources. Recommendations for improving the implementation of centralized water service strategy and areas for further research are suggested.

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I dedicate this thesis to my creator, the Almighty God, he has made the impossible possible.

LIST OF TABLES

Table 1: Different perspective of strategy implementation

Table 2: Models for evaluating strategy implementation

Table 3: Households water access and service levels

LIST OF FIGURES

Figure 1: The five Ps of strategy

Figure 2: Deliberate and Emergent strategy

Figure 3: Strategy Implementation as a link between planned and realizing strategy

Figure 4: McKinsey 7 “S” Model

Figure 5: Higgins’ 8 “S” Model

LIST OF ABBREVIATIONS

ADM: Amathole District Municipality

AW: Amatole Water

DWS: Department of Water and Sanitation

IDP: Integrated Development Planning

LM: Local Municipality

M&E: Mechanical and Electrical

SM: Senior Manager

TW: Treatment Works

WTW: Water Treatment Works

WSP: Water Service Provision

APPENDICES

Appendix 1: Core values of ADM

Appendix 2: ADM approval letter

Appendix 3: Interview questions

Appendix 4: Consent forms

TABLE OF CONTENT

| | |
|--|-----------|
| 1. INTRODUCTION | 12 |
| 1.1 RESEARCH PROBLEM | 15 |
| 1.2 RESEARCH PURPOSE | 17 |
| 1.3 SIGNIFICANCE OF THE STUDY | 18 |
| 1.4 DELIMITATION OF THE STUDY | 19 |
| | |
| 2. LITERATURE REVIEW | 21 |
| 2.1 INTRODUCTION | 21 |
| 2.2 EXPLORING THE CONCEPT OF STRATEGY | 21 |
| 2.3 THE CONCEPT OF STRATEGY IMPLEMENTATION | 24 |
| 2.4 MODEL FOR EVALUATING STRATEGY IMPLEMENTATION | 28 |
| 2.5 STRATEGY IMPLEMENTATION IN A MUNICIPALITY AND WATER SERVICE PROVISION | 33 |
| 2.6 UNDERSTANDING HIGGINS 8 “S” MODEL | 37 |
| 2.7 SUMMARY | 41 |
| | |
| 3. RESEARCH METHODOLOGY | 42 |
| 3.1 INTRODUCTION | 42 |
| 3.2 RESEARCH PARADIGM | 42 |
| 3.3 RESEARCH METHODS | 44 |
| 3.4 DESCRIPTION OF INTERVIEWS | 45 |
| 3.5 DATA COLLECTION | 46 |
| 3.6 RESEARCH METHODS, PROCEDURES AND TECHNIQUES | 47 |
| 3.7 ETHICAL CONSIDERATION | 47 |
| 3.8 LIMITATIONS OF THE STUDY | 48 |
| 3.9 SUMMARY | 49 |

| | |
|--|----|
| 4. FINDING ----- | 50 |
| 4.1 INTRODUCTION----- | 50 |
| 4.2 CENTRALIZED WATER SERVICE PROVISION STRATEGY IMPLEMENTATION----- | 50 |
| 4.1.1 STRATEGY AND PURPOSE----- | 50 |
| 4.1.2 STRUCTURE ----- | 55 |
| 4.1.3. SYSTEM----- | 57 |
| 4.1.4 STAFF ----- | 58 |
| 4.1.5 STYLE ----- | 59 |
| 4.1.6 RESOURCE ----- | 61 |
| 4.1.7 SHARED VALUES----- | 63 |
| 4.1.8 STRATEGIC PERFORMANCE ----- | 64 |
| 4.3 NON-ALIGNMENT IN STRATEGY IMPLEMENTATION AT ADM ----- | 68 |
| 4.4 SUMMARY----- | 72 |
| | |
| 5. DISCUSSIONS ----- | 73 |
| 5.1 INTRODUCTION----- | 73 |
| 5.2 DIFFERENT BUT COMPLEMENTARY VIEWS ON STRATEGY ----- | 73 |
| 5.3 DEEP AND NEVER ENDING SHORTAGES OF TECHNICAL AND MANAGERIAL STAFF ----- | 74 |
| 5.4 RESOURCE CONSTRAINTS AND ITS EFFECTS ----- | 76 |
| 5.5 MISMATCH BETWEEN ESPOUSED VALUES AND PRACTICED VALUES ---- | 77 |
| 5.6 DEEP AND PERSISTENT MISALIGNMENT BETWEEN RESOURCES, STRUCTURE AND STAFF ----- | 79 |
| 5.7 SUMMARY----- | 79 |
| | |
| 6. CONCLUSION ----- | 80 |
| 6.1 INTRODUCTION ----- | 80 |
| 6.2 OVERVIEW OF THE STUDY AND SUMMARY OF FINDINGS ----- | 80 |
| 6.3 CONCLUSION FOR THE STUDY ----- | 81 |
| 6.4 RECOMMENDATION----- | 81 |

| | |
|---------------------------------|-----------|
| 6.5 AREAS OF FUTURE STUDY ----- | 83 |
| REFERENCE LIST ----- | 84 |

CHAPTER 1: INTRODUCTION

South Africa as a country but specifically the Amathole District Municipality (ADM) in the Eastern Cape Province has been facing a major challenge regarding its water sources and management of water service delivery to the citizens (ADM, 2014). It is not long ago when Amathole District Municipality experienced severe drought conditions in most of its areas, which also adds weight to the major concern and importance of an efficient and effective implementation of water service provision strategy.

In this regard, the need for water services institutions (e.g. metropolitans, districts and local municipalities) to ensure proper implementation of water services provision strategies is self-evident. The old and dilapidated water infrastructure in local municipalities in post-apartheid South Africa, a lack of technically skilled human resources and a lack of funds are some of the reasons for poor water service provision experienced by citizens. It is in recognition of the importance of water that the Department of Water and Sanitation (DWS) has prioritized and placed a renewed focus on the maintenance upgrading of water and sanitation infrastructure in South Africa (Engineering News, 2015:5).

This study is specifically on Amathole District Municipality (ADM) and the implementation of a particular water service strategy. ADM is a district municipality in the Eastern Cape Province in South Africa. The district has seven local municipalities within its jurisdiction, namely Mbhashe, Mquma, Great Kei, Amahlathi, Ngqushwa, Nkonkobe and Nxuba. These are the local municipalities which were previously mandated to operate a decentralized water service provision strategy until 2012 when there was a change to a centralized water service provision model (ADM, 2012). According to ADM (2013) the total surface area of the district consist of 19 urban areas which have a total of 2000 rural settlements with a geographic coverage of more than 23 000 kilometres square. The centralized water service provision strategy was implemented in this geographical area.

The decentralised way of water service provision meant that each of the seven local municipalities within ADM was individually mandated and given full responsibility and accountability to provide water service function to its communities. However, there was a variety of operational challenges and complaints related to poor performance of water treatment works (WTW) and insufficient water provision at the local municipal level. Not only were the local municipalities unable to provide proper water services to communities,

they also experienced challenges related to the appointment of qualified personnel (SALGA, 2011). Furthermore, LM also suffered from insufficient funds, and had to use old and dilapidated infrastructure to provide water services.

The poor water service provision prompted ADM to look for an alternative way of addressing the challenges faced by the LM's. Notably, there are many ways of providing water services to the community other than the decentralised water service provision model. Literature shows that options of WSP include privatizing water service provision, use of public partnerships or centralizing water service within a district municipality (Hukka & Katko, 2003: v) and concession (Smith, Mottiar & White, 2005). In the light of the variety of possible alternatives, ADM opted to centralize WSP, removing it from its LM's. The ADM council resolution dated August 2012 adopted the centralised WSP strategy implementation plan in line with section 78(1) of the Municipal System Act (32 of 2000).

The shift from a decentralized to a centralized implementation model for ADM called for a different set of managerial skills as a single strategy was applied to a wide geographical area made of different LMs. Furthermore, the placing of specialised professions at the relevant and appropriate unit and line of duty was essential to ensure cross functional coordination, but also coordination across the seven local municipal levels. There was also a need for appropriate internal organizational systems and processes for water service provision. As the strategy implementation was hinged on the notion of one provider of water services, there was need to cater for an efficient and effective water service provision that would meet the needs of diverse members of the communities in the urban but also rural areas within the district.

Ultimately, the change from decentralised to centralised water service provision entailed management of people, resources and business processes (Thompson & Martin, 2005). This takes cognizance of the view that implementation is a series of interventions concerning organizational structures, actions by key staff and control systems designed to control performance with respect to desired ends (Hrebiniak, 2006). Scholars such as Thompson & Strickland (2003) assert that formulating strategy is difficult, but making strategy work throughout the organization is even more difficult, most complicated and time consuming.

It is interesting to note that while ADM moved away from decentralised water service model to centralised water service provision model, other district municipalities within the Eastern

Cape moved in the opposite direction. For example, Chris Han District municipality moved away from centralised to decentralised water service provision (Dyasi, 2013). This suggests that decisions on water service provision model are not uniform and take the municipal contexts into consideration to achieve desired outcomes. Findings from three different studies in Britain, Finland and France, Uganda and Netherlands provide interesting debates on water privatization, reform of public water service provider and variety of partnerships at different levels in the water sector.

For example, a study on privatization of water services in Britain, Finland and France was not able to explicitly conclude that private enterprises would operate facilities more efficiently than public ones (Hukka & Katko, 2003). Interestingly, a study in Uganda on the corporatisation of a public enterprise, the National Water and Sewerage Corporation (NWSC) found that it is possible to successfully reform a public enterprise without changing ownership” (Muhairwe, 2009).

The study confirmed that corporatization was only suitable for the metros due to capacity reasons. Equally interesting is the study by Smith, Mottiar & White (2003) which focused on the concession model of water service delivery in Nelspruit. One of the results of this study was the assertion that a concession which is primarily driven by the logic of profit and efficiency was not suitable for delivery of an essential service such as water, especially in areas with high levels of poverty. On the other hand, a decentralized, grass root and informal model of Community Based Water Services Provider (CSP) in villages in South Africa was found to be most beneficial to rural local authorities characterized by insufficient resources and weak capacity to manage water infrastructure (Engineering News, 2015).

While there are a many models of water service provision, there is also a variety when it comes to models used to understand and diagnose organisational issues related to strategy implementation (Louw & Venter, 2010). For example, the Mckinsey 7“S” framework model has been used to evaluate strategy implementation, focusing on the seven elements of shared values, strategy, structure, style, staff, system and skills (Beer & Spector, 1993).

A second model is the High-performance Programming model, which focused on the components of planning, time frames, change mode, management, structure, perspective, motivation, development, communication and leadership in order to diagnose organisational

performance (Beer & Spector, 1993). Lastly, Higgins' (2005) 8 "S" framework model focuses on strategy and purpose, structure, re-sources, shared values, style, staff, systems and processes in order to achieve strategic performance (Bhatti, 2011). The Higgins' (2005) 8 "S" model of strategy implementation is a revised and improved version of the McKinsey (1980) model (Bhatti, 2011).

The Higgins' (2005) 8 "S" model has been used to critically examine public sector reforms to understand how to implement strategic goals relating to organisational staff, and to ultimately make the public sector more productive. (Valickas, 2012). Higgins' (2005) 8 "S" model has also been used to assess the implementation of strategy in the not-for profit sector in the Netherlands (Van Donselaar, 2012).

1.1 RESEARCH PROBLEM

Despite the growing focus of public sector management literature on strategy, scholars are complaining that "there have so far been few explanations about how public sector managers develop and implement new strategic approaches" (Pablo, Reay, Dewald & Casebeer, 2007: 687). Inevitably, the shift of water service provision strategy from decentralised to centralised model by ADM necessitated a need for coordination not just across multiple functions, but also many local municipalities across different geographical boundaries. According to Higgins (2005), cross-functional execution issues tend to be given limited attention as organisations are structured based on functions. Furthermore, it is common that strategies which are very well crafted fail if they are not properly implemented.

According to Nkosi (2015) many public organizations in South Africa craft sound strategies to allow for the realization of their shared goals, but suffer high failure rates regarding strategy implementation. A study by Hofert (2006:30) assert that municipalities in South Africa experience difficulty in implementing strategies without losing focus on their core mandate of service delivery. For example municipalities experience a variety of strategy implementation issues such as political interference in the appointment of municipal staff which impede the implementation of policies and strategies (Alebiosu, 2005:75).

Furthermore, a study of strategy implementation in a municipality in Limpopo by Samuel (2010) revealed that one of the key challenge is that it is difficult to get the different and diverse external stakeholders in a municipality on the same path towards the achievement of the municipal's vision and or mission. Public sector managers need to influence upwards (e.g. politicians), influence downwards (e.g. employees), and also influence outwards (e.g. citizens and other recipients and external agents of services) (Samuel, 2010). There is also existence of a wide variety of "controllers", higher authorities and "monitors" exacerbating the effects of discontinuities arising from brief political tenures and constantly changing agendas (Economic Commission for Africa, 2003; CIMA, 2010).

It is notable that strategy implementation reflects a pattern of activities to do with operations in terms of how people and resources are managed to achieve set objectives. To be more precise, strategy implementation translates work as per the strategic plan into reality by utilizing all necessary personnel, resources, funds, processes and procedures in place (Brinkschroder, 2014). Employees at different levels play a fundamental role within the organisation in order to obtain efficient and effective implementation of the strategy.

It is a common view in municipalities that "once managers have decided on a strategy, the emphasis turns to converting it into actions and good results" (Thompson, Strickland & Gamble, 2009: 359). At ADM, no research has been conducted to evaluate or understand the pattern of how the new strategy of centralised water service provision that was adopted has actually been implemented. Some scholars observe that "in the rush to act on strategy too little attention is paid to finding the best implementation initiatives" (Lippitt, 2007:54). Alignment is key when implementing a strategy because lack of alignment among the internal elements of an organisation actually compromises strategy implementation (Bhatti, 2011:53).

In the case of ADM, research has not provided any insights on the extent of how different aspects of centralised water service strategy implementation are aligned, or not. As such, there is need for a holistic understanding of centralised water service strategy execution by ADM since this new strategy came into action. In a nutshell, management and staff at ADM are not yet informed by any research on how they have been implementing the centralised water strategy over the years.

It is notable that “successful strategy implementation revolves around aligning key organization factors with strategy” (Higgins, 2005:3). As strategy implementation is about day-to-day actions and outcomes, it is key for ADM to explore and understand how it has been translating the strategy of centralized water service provision into tangible outcomes and actions, through creating a series of alignment between a number and variety of aspects at the functional, local and district municipal levels.

1.2 RESEARCH PURPOSE

Fundamentally, the overall purpose of this exploratory qualitative study was to describe the implementation and also assess the extent of alignment in the way the centralised WSP of Amathole District Municipality was done. In pursuit of this overall purpose, the study draws from Higgins’ (2005) 8 “S” framework to analyse and describe the implementation of centralised water service strategy and also assess the extent of alignment in the execution of strategy. In this regard, the objectives of this research were to:

1. To describe the strategy implementation of centralised water service provision by ADM using the Higgins’ (2005) 8 “S” model.
2. To assess and explain the levels of alignment amongst the Higgins’ (2005) 8 “S” components as used by ADM to implement a centralised water service provision strategy
3. To analyse the influence of alignment on the implementation of centralised water service strategy by ADM.
4. To make recommendations on how ADM can improve its strategy implementation.

In this regard, the Higgins’ (2005) 8 “S” model was considered to be a useful model in this deductive study to explore and get a good understanding of the research question of: “According to Higgins’ (2005) 8 “S” model, how was the centralised water service provision model actually implemented and aligned at ADM? This was a central issue in the current

study to understand the internal working within ADM and also the extent of alignment as the organisation was implementing a strategy of centralised water service provision.

1.3 SIGNIFICANCE OF THE STUDY

This qualitative study is significant as it focuses on strategy execution regarding the provision of water which is increasingly becoming one of the few scarce resources that are demanding great efficiency and effectiveness in strategy implementation (e.g. reduce water loss) to ensure sustainability. Firstly, this qualitative study is important to senior managers at ADM as it unravels not only the positive but also negative outcomes achieved through the way the centralised water service provision strategy was executed, but more specifically how various aspects of water service provision system (e.g. resources, staff, structure, system, strategy etc.) have contributed to the outcomes of strategy execution, and the degree of alignment that is manifested. In this way, the qualitative study provides a robust basis for reflection and invoking debates and corrective actions on (a) what needs to change at ADM; (b) how should ADM change, and (c) how to effect the change to enhance aligned water service provision that meet the strategic goals of ADM.

Secondly, this qualitative study is also significant to senior managers and policy makers in municipalities in South Africa in general, mainly those also grappling with similar challenges of strategy implementation. The study will explore key factors that matters in strategy execution in a public organizational context to improve water service delivery. Generally, scholars, policy makers and citizens in South Africa have all repeatedly complained about poor service delivery which partly emanates from poor execution of strategies which are often good on paper.

This study intends to make a contribution to research on strategy implementation which is needed to illuminate comprehensively and holistically why strategy is failing in most municipalities, leading to poor results and at times violent reactions by citizens in South Africa. In particular, this study is valuable to academics interested in the relevance and application of Higgins' (2005) 8 "S" model to different organizational contexts which include public service organizations providing water service using a centralized water service provision model.

1.4 DELIMITATION OF THE STUDY

This exploratory qualitative study deliberately included views of all senior managers as they were key in the day-to-day decision-making and ensuring execution of strategy at ADM in the Eastern Cape province of South Africa. It is important to be clear at the outset that the choice of giving privilege to views of senior managers does not in any way suggest that lower-level managers and employees are not important in understanding and analysing of strategy execution and alignment in an organization. In this way, the current qualitative study is delimited to the senior managerial views of centralised water service strategy implementation by ADM. This type of senior managers has a “line of sight” between day-to-day activities and what an organization seeks to achieve in the long term. Furthermore, the study only interviewed people at the water division at head office as no water senior manager were based at a satellite office.

OUTLINE OF THE THESIS

The outline of chapters in this thesis is as follows:

- Chapter one focuses on the introduction of the study, research problem, research purpose, significance of the study, delimitation of the study and outline of chapters in the thesis.
- Chapter two focuses on literature on strategy, strategy implementation concept and models, and Higgins’ (2005) 8 “S” model. The chapter has also discussed empirical studies on water service provision and strategy implementation.
- Chapter three focuses on the research methodology used in this qualitative study. This chapter discusses the research paradigm, sampling, data collection, research quality, ethics of research and the limitations of this study.
- Chapter four presents findings of the study reflecting how the centralised water service provision strategy was implemented by ADM as seen from the lens of Higgins’ (2005) 8 “S” model, but also the extent of alignment among the various aspects of this model.
- Chapter five is a discussion of findings in this study. This chapter answers the research question in the light of the findings and literature.

- Chapter six is the conclusion. This focuses on the main findings and conclusions derived from the study. Recommendations for management practice and areas for further research are part of this chapter.

The next chapter focuses on literature review on strategy, strategy implementation and relevant previous studies.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The aim of this chapter is to review literature relevant to strategy, and the concept of strategy implementation. As this study focused on the Water Service Provision (WSP) model adopted and implemented by Amathole District Municipality (ADM), it is equally vital to understand a variety of water service provision strategies and options. In this regard, the chapter seeks to firstly understand the concept of strategy in general and the various types of strategy, before focusing on strategy implementation. Furthermore, the chapter progresses to discuss strategy implementation in a municipal context. Lastly, the chapter discusses the components of Higgins' (2005) 8 "S" model, which is adopted in this particular study.

2.2 EXPLORING THE CONCEPT OF STRATEGY

Strategy and strategy implementation are some of the concepts that are common and relevant to literature in the public sector environment. Strategy with its origin in what generals do in the army has evolved overtime and assumed different types of meaning. It is notable that strategy is related to the provision of water services in a municipal setting. To reflect the multiple meanings of strategy that have emerged over time, Mintzberg (1978) developed 5 Ps of strategy, namely [1] Pattern; [2] Plan; [3] Position; [4] Ploy; and [5] Perspective as shown in figure 1.

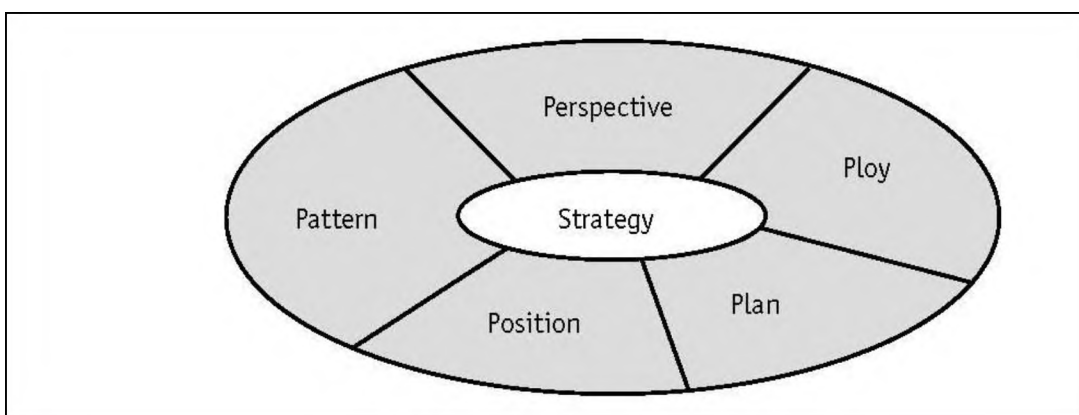


Figure 1: The five Ps of Strategy

Source: Louw and Venter (2010:16)

Firstly, strategy as **perspective** refers to the organisational way of doing things, the fundamental way in which staff see the world, identify their organisation from inside and see themselves as embedded in or guided by the culture and ideology. It is very important that while strategy may mean “creative destruction of the opponent’s advantage in the commercial world, it may mean delivery of public value in the public sector”.

Secondly, strategy as **plan** gives overall, conscious direction and intended course of action into the future on how to deal with a situation. Strategy as a plan connotes an abstract and future orientation in dealing with an imagined and anticipated situation or future reality. In this study, there was a plan for ADM to change and implement a centralized water service provision. The future orientation of this plan was for local municipalities to stop the decentralised water service provision model and move to a centralized water service provision model which mandates ADM as the sole provider of water services in the district municipality.

Notably, the failure of an organization to execute strategy is a major concern of executives because it limits organizational growth, adaptability, and competitiveness (Lippitt, 2007:4). Executives in private and public sector organizations are not judged by the brilliance of their strategy, but by their ability

Thirdly, strategy as a **ploy** refers to a “narrower plan” (i.e. the set of coordinated actions to realise an intent that is part of the plan) to outmanoeuvre opponents. As Mintzberg & Quinn (1991:13) put it, strategy as a ploy is specific with the sole purpose of outwitting a competitor. This notion of strategy is more relevant and common in the private than public sector.

Fourthly, strategy is viewed as a **position** for the company or organisation in its environment. In the competitive world, an organisation creates a position for itself in relation to competitors, and other external stakeholders through a targeted plan. Alternatively, the position may emerge through a pattern of behaviour or outcome of either a proactive or reactive endeavour to create a fit between the firm and the environment (Mintzberg, 1985).

It is notable that other scholars relate this definition of strategy to the outside-in perspective or a market-driven strategy (Thompson & Martin, 2005:112-114). For example organisations in the public sector may take an outside-in perspective based on the external environment in

terms of multiple stakeholders through public participation (e.g. Imbizo), or inside-out based on resources available.

Fifthly, strategy viewed as a **pattern** is evident in emergent decisions, not purposeful, intended outcomes of a pre-conceived plan (Mintzberg & Waters, 1985:257). To be precise, strategy is the consistent pattern, which emerges over time from a series of decisions. Strategy is a realised pattern in a stream of decisions or behaviours which management and staff have displayed over time.

2.2.1 Pattern of decisions

The different meanings of strategy presented above reflect that the concept of strategy is complex. The view of strategy as pattern is interesting in order to understand the pattern of consistent but also inconsistent decisions and behaviour evident at ADM over time in the pursuit of the centralised water service provision. This study will not focus on strategy as a plan but rather a pattern of decisions and actions actually taken by ADM in the centralised water service provision. Although very old, the views of Andrews (1980) are still informative in asserting that pattern reflects strategy over time which enables the organisation to focus and commit significant a portion of its resources to the expected outcome.

Andrews (1980) also acknowledge that pattern allows for quick identification of the decisions to be made and highlighted. This may include best practices for making the decision, red flags, biases and dilemmas to watch out for and lastly potential metrics to use in order to track the success of the decision (Brinkschroder, 2014). The idea is to come up with a strategy that can be implemented and then realised after learning from other municipalities and having understood their experiences in relation to the water service.

2.2.2 Emergent and Deliberate Strategy

It is notable that strategy is not static as it changes in response to change (Mintzberg, 1978). Aaltonen & Ikavalko (2002:415) agree that “in reality some strategies are planned and some just emerge from the action and decisions of organisational members”. In a slightly different vein, Mintzberg (1978) proposes typologies which suggest that strategy can be categorized into three as follows (see figure 2):

- 1) Deliberate (intended strategies that are realized) strategies
- 2) Unrealized (intended strategies but not realized) strategies
- 3) Emergent (realized strategies that were never intended) strategies.

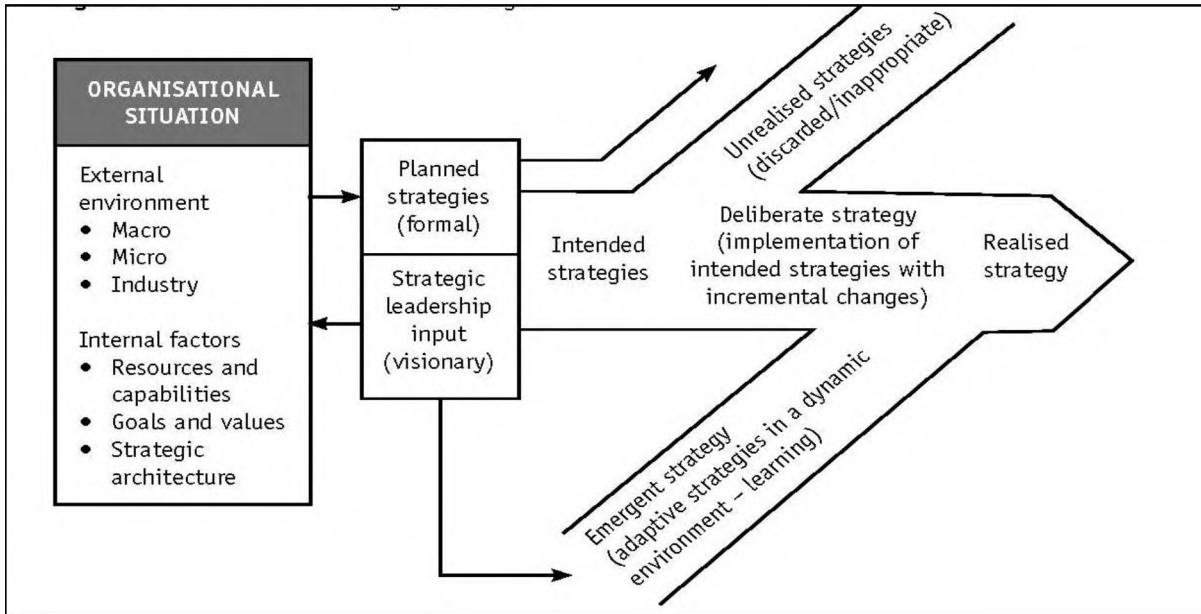


Figure 2: Deliberate and Emergent strategy

Source: Louw & Venter (2010:18)

Planned strategy and realized strategy, or emergent strategy evolve hand in hand and affect each other in the process of strategy implementation, where strategies are communicated, interpreted, adopted and enacted.

2.3 THE CONCEPT OF STRATEGY IMPLEMENTATION

This section explores the different ways of understanding what strategy implementation is in general before discussing strategy implementation models. It is notable that there are some common and predominant views which are vital to shed some light on the nature of strategy implementation. For example textbooks of strategic management tend to consider strategy implementation as distinct from strategy formulation which is more glamorous (Brinkschroder, 2014). It is also interesting that some people actually overlook strategy implementation as they believe anyone can do it. The notion of strategy execution may at first seem straight forward especially when the paradigm is that strategy is formulated and then implemented.

It is important to underscore that the type of perspective of strategy one holds is very important as this has an influence in understanding the nature of strategy implementation. For example, if one holds the view that strategy is explicit, then he or she is more inclined to see implementation as carrying out a pre-determined plan (Brinkschroder, 2014). In this vein, strategy implementation is seen as the finer level planning involving not just allocation of resources to execute a pre-determined plan, but also the resolution of many day-to-day operational issues while having the future viability or survival of the organization in mind. This resonates with views such as “once managers have decided on strategy, the emphasis turns to converting it into actions and good results” (Thompson, Strickland & Gamble, 2009: 359).

While it is clear that strategy implementation is an instrument to translate the strategic plans into actions, it is however not always clear how it actually and specifically works in the organizational reality. The notion of strategy implementation as a tool for translation of strategy into action needs to be more detailed, mindful that strategy execution is the result of thousands of decisions made every day by employees at different levels of an organization, acting according to the information they have (Brinkschroder, 2014). Notably, some of the employees may not always act in the best interest of the organization but rather their own self-interest. In a nutshell, the notion of strategy implementation as the execution of a pre-determined strategic plan is potentially limiting as new perspective acknowledge that strategy is also emergent.

Thus, if one believes that strategy is emergent, then strategy is not seen as created first, but rather emerges and evolves over time. In this way, strategy formulation is not distinct from strategy execution. With this blurred distinction, it has been posited that some people do not know where strategy execution starts and actually ends. Some people adopt a middle position by suggesting that while strategy implementation relates very much to putting into action a predetermined plan Okumus (2003), it actually does not exclude the emergent activities that are actually undertaken in the course of enacting a centralized water provision model.

This approach is appropriate mindful that while some strategies are planned, others actually emerge from actions and decisions of organizational members to deal with unplanned events or issues. Ultimately, the two types of strategy affect each other as well as the organizational

outcome. This takes cognizance of the fact that strategy implementation takes time, is complex, and also difficult as it involves many actors and cross-functional activities in an organization. Although it is many decades ago when Okumus (2003) lamented in their noteworthy statement “...great strategy, shame about the implementation . . .” the truth inherent in this evaluative statement remains valid today. Executives that are successful spend most of their time on strategy implementation. Brinkschroder (2014:2) asserts that “a gap still exists between knowing what to do and actually doing it”.

In short Aaltonen & Ikavalko (2002: 415) assert that implementation seeks to achieve a match between what was planned and what has eventually been achieved as a result of effort to reach the organizational vision. Louw & Venter (2010: 394) add that the ability of an organisation to provide effective and efficient strategy implementation depends on its internal functioning which should be well aligned and coordinated to translate strategy into tangible outcomes and actions. According to Brinkschroder (2014) strategy implementation is sometimes construed as act of control and monitoring. For example, strategy implementation requires an alignment between internal factors such as organisational culture and different policies and procedures, an effective knowledge and skills base, a suitable organisational culture and different processes, systems and strategies.

It can be argued that this inside – out perspective of understanding how strategy is implemented in an organisation suggest “that the source of performance success, no matter how it is measured, is drawn from within” (Pablo, 2007: 689). Some of the key components of strategy implementation include actions, interactions, communication, interpretation and adoption of action to achieve a planned strategy and ultimately the organizational vision (O’Reilly, Caldwell, Chatman, Lapid & Self, 2010). It is the failure to use appropriate action, interaction, communication and interpretation which amplifies the disconnection or mismatch between planned and realized strategy (see figure 3).

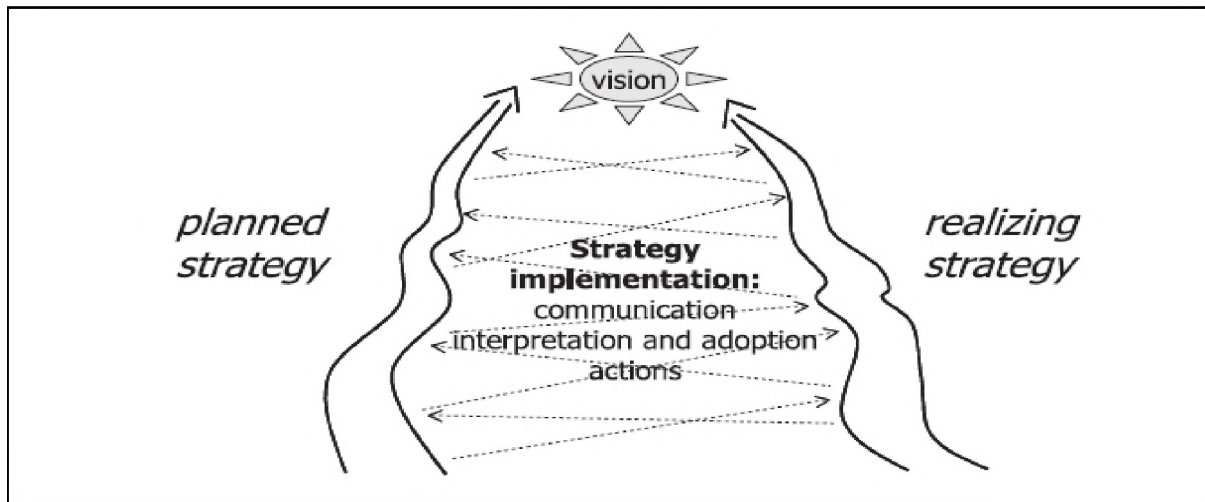


Figure 3: Strategy Implementation as a link between planned and realizing strategy

Source: Aaltonen & Ikkvalko (2002:416)

Brinkschroder (2014) asserts that great strategies lose value when they are not implemented effectively and efficiently. In other words, it is much better to implement effectively a second grade strategy, rather than implement ineffectively a first class strategy. Table 1 presents different perspectives of strategy implementation found in literature.

Table 1: Different perspectives of strategy implementation

| Author | Strategy implementation perspective |
|----------------------------|--|
| Laffan,1983 | During the implementation phases, a policy decision must be spelled out in the operational details and resource allocated among programmes. |
| Bonoma , 1984 | Implementation is turning drawing board strategy into market place reality. |
| Kolter , 1984 | Implementation is a process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plans stated in the objectives. |
| Hrebiniak and Joyce , 1984 | Implementation is a series of interventions concerning organizational structures, key personal actions and control systems designed to control performance with respected to desired ends. |

| | |
|----------------------------|---|
| Aaker, 1988 | The implementation stage involves converting strategic alternatives into an operating plan. |
| Caspedes , 1991 | Implementation refers “to how to do it” aspects of [marketing]. Implementation deals with organisational issues, with the development of specific [marketing] programmes and with the execution of programmes in the field. |
| Floyd and Woolridge , 1992 | Implementation is the managerial interventions that align organisational action with strategic intention. |

Source: Noble (1999: 120)

It seems common that implementation encompasses the development of structures, processes and other organizational operations and their alignment to overarching organisational objectives (Brinkschroder, 2014). It is not difficult to see that without strategy implementation, the strategy itself is a dream or a wish of the organisation. In this study strategy implementation refers to the actions, interactions, communication and interpretation that were undertaken to enact the strategy of centralised water service provision.

2.4 MODEL FOR EVALUATING STRATEGY IMPLEMENTATION

There is no one-size-fits-all approach to how strategy is implemented, as strategy occurs in different contexts and is also not static (Ehlers & Lazenby (2010:262). As such, there are a variety of models that strategic leaders and managers can use to understand and diagnose the organisational issues requiring attention for a successful implementation of strategy (Louw & Venter, 2010:396).

Table 2: reflects on some of the models from the existing literature and it further identifies the variables and characteristics in each model. However, only a few of the models that are more relevant to this study are discussed in detail below.

Table 2: Models for evaluating strategy implementation

| Model | Variables | Major Premise |
|-------------------------------------|---|---|
| Leavitt's Model (1965) | Task, structure , technology and human variables | Change in the variables is undertaken to affect the task variable (products and services) |
| Congruence model (Fry, 1990) | <i>Inputs:</i> environment , resources, history & strategy <i>Throughputs:</i> task, individual & formal <i>Organization Outputs:</i> individual, groups & systems. | Assumes open system theory, formal and informal systems, the fit or congruence between the internal variables |
| Mckinsey "7's" framework (1981) | Shared values, strategy, structure, style, staff, system and skills. | Variables must all change to be congruent as a system. |
| High-performance programming (1984) | Time frame, focus, planning, change mode, management, structure, perspective, motivation, development, communication and leadership. | Four different levels of organizational performance are identified based on all eleven variables. |
| Higgins "8's" framework (2005) | Strategy and purposes structure, resources, shared values, style, staff, systems and processes, and strategic performance. | Variables must all be aligned in one direction towards strategic performance |

Source: Leader sphere (2008:22-24)

Van Donselaar (2012: 18) asserts that the congruence model assists in understanding the key drivers or causes of performance and the relationship between them. The model is termed the congruence model because it is based on the fit between the system components (informal

organisation, task, formal organisation arrangements and individuals). Through analysis of the congruence between the system parts, the whole organisation is diagnosed as displaying relatively high or low total system congruence. This model is a tool for thinking through organisational problems and it does not function as a rigid template (Van Donselaar, 2012:18).

The Congruence Model involves identifying the symptoms of problems, determining and identifying problem areas and developing an action plan for dealing with the problems. This research seeks to describe how ADM has implemented the centralised water services provision and to assess the extent alignment of various components of the Higgins (2005) 8 “S” framework. Just like the Higgins 8 “S” (2005), the congruence model also addresses internal issues and the aspect of fit among system component.

However, it is important to highlight that the congruence model does not fully address the objectives of the current study which focuses on how ADM implemented a centralised water service provision model. This is so because congruence model merely focuses on tasks, people, structure, and culture, leaving out other aspects of leadership style, resources, shared value, skills, systems and processes.

Fuqua & Kurpius (1993) together with Nelson & Burns (1984) describe four organisational systems which are more or less effective. These systems include the high-performing organisation (level 4), the proactive organisation (level 3), the responsive organisation (level 2), and the reactive organisation (level 1). The high performing organisation focuses on variables such as time frame, focus, planning, change mode, management, structure, perspective, motivation, development, communication and leadership to gauge the performance level (Nelson & Burns, 1984).

More importantly, the high performance organisation system is not very different from the congruence model as they both are mainly useful in identifying symptoms of the problem (Nelson & Burns, 1984). In particular, the high performance organisation system deal with empowerment and support of individual growth and development within an organisation thereby leaving out other aspects that Higgins (2005) 8 “S” will establish in the study.

Higgins (2005) 8 “S” framework is considered to be a useful tool in understanding the internal workings of an organisation and will be used to assess the alignment of strategy implementation of the centralised water services provision in ADM in this study.

Additionally, Higgins (2005) 8 “S” model is a holistic approach which focuses on strategy implementation that enables management to enact, monitor, and assess cross functional implementation of strategies. Mindful that Higgins (2005) 8 “S” of strategy implementation is a revision of the original McKinsey 7 “S” model, it is appropriate to take a cursory review of this foundational model.

It is noteworthy that although old, the McKinsey 7 “S” still provides a foundational, holistic framework and meaningful tool in understanding the inner workings of an organisation, analyse and improve organizational effectiveness (Van Donselaar, 2012:19). It allows an organisation to survey its operations, articulate its vision, and compare the present with the future and articulate intended changes. McKinsey 7 “S” involves the alignment of seven interdependent factors which are categorized as either “hard” (e.g. strategy, structure and systems) or “soft” (e.g. shared values, skills, staff and styles).

The holistic view of strategy implementation which involves aligning a variety of different elements differs from early views which considered strategy implementation as simply a matter of adjustments to organizational structure and systems only. In the McKinsey 7 “S” model, changes in one element affect the others.

According to Thompson et al., (2008:256) managers in the past decades paid attention to “hard” elements of the organisation while ignoring the “soft” aspects which negatively affected the outcome of change. It is very important that both soft and hard elements of McKinsey 7 “S” are given attention if strategy execution is to be effective and successful in an organization.

Figure 4 depicts the hard and soft elements of McKinsey 7 “S” framework which are interdependent.

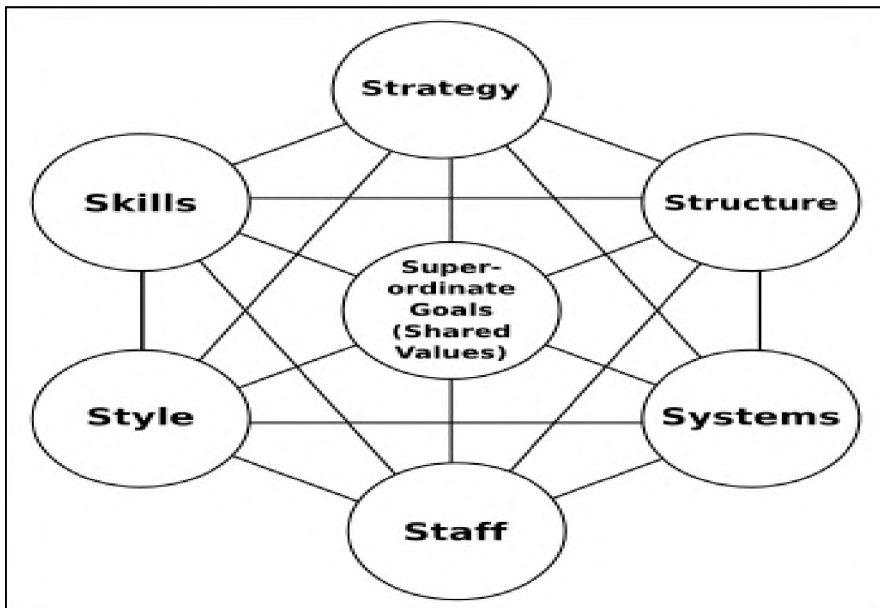


Figure 4: McKinsey 7S framework

Source: Louw & Venter (2010:515)

As a revision of McKinsey 7 “S” model, Higgins (2005) 8 “S” has deleted skills from the McKinsey framework and added resources in its place. This is primarily because an organisation requires resources to implement strategy (e.g. money, information, technology, time etc.). Furthermore, Higgins (2005) 8 “S” also added strategic performance in order to help focus the strategy execution process on results and objectives.

In the views of Higgins (2005:3) “much of successful strategy execution revolves around aligning key organizational factors with strategy. But with significant changes occurring so frequently in the business environment, strategies are changed more often now than they have been in the past, and thus the alignment process has become an even greater challenge”.

The Higgins (2005) 8 “S” model is chosen as a framework in order to better understand and assess alignment achieved during the execution of centralised water service provision model of ADM. The Higgins (2005) 8 “S” model is chosen not just because it is comprehensive in its focus on internal issues, but also clear, simple and also applicable to strategy implementation in public organisations as well including ADM.

An example of the use of Higgins 8 “S” model in the public sector is the study by Valickas (2012) which aimed to understand how to make the public sector more productive with improved systems and processes in the same way as private sector. Notably, Higgins’ (2005)

8 “S” model has also been used to assess the implementation of strategy in a not-for profit sector in Netherlands (Van Donselaar, 2012). The Higgins (2005) 8 “S” model will be discussed in detail later in this chapter.

2.5 STRATEGY IMPLEMENTATION IN A MUNICIPALITY AND WATER SERVICE PROVISION

The Local Government Municipal Systems Act (2000) in South Africa requires that municipalities adopt Integrated Development Plans (IDPs) as the single, inclusive and strategic plan for the development of their municipal areas (Samuel, 2010). The Integrated Development Policy requires a municipality to be an open system in order to accommodate the policies and strategies developed at the national and provincial levels of government.

Samuel (2010) asserts that section 24(1) of the Municipal Systems Act (, 2000) is clear that the *“planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in Section 41 of the Constitution”*. It is key to highlight that this study focuses on water services provision in ADM which is just a portion of the overall IDP.

2.5.1 Strategy Implementation in a municipal context

It is not only the content of strategy that matters in the study of strategy implementation, but also the context where strategy is communicated, interpreted, adopted and enacted to achieve a vision (e.g. municipality, not-for profit etc.). This study focuses on strategy implementation regarding water service provision in a municipal setting which is different from private sector. A quick review of literature is essential to understand four broad ways that differentiates strategy implementation activities in public and private sector organisational contexts (Chartered Institute of Management Accountants, 2010).

Firstly, it has been noted that when implementing strategy, public sector executive’s pay attention to a much wider and diverse group of stakeholders than private sector managers. For example, public sector executives are expected to pay attention to employees, citizens, and

households, politicians from different parties, government departments, and businesses in implementing a service delivery strategy. A study of strategy implementation in a municipality in Limpopo by Samuel(2010) revealed that one of the key challenge is that it is difficult to get the different and diverse external stakeholders in a municipality on the same path towards the achievement of the municipal's vision and/or mission.

As pointed out earlier on, public sector managers need to influence upwards (e.g. politicians), influence downwards (e.g. employees), influence outwards (e.g. citizens and other recipients and external agents of services) (Samuel, 2010). Additionally, public sector managers experience a richer variety of competing interests and viewpoints both inside and outside the organisation than that of private sector managers. There is also a wide variety of “controllers”, higher authorities and “monitors” who actually worsen the effects discontinuities arising from brief political tenures and constantly changing agendas (Economic Commission for Africa, 2003; CIMA, 2010).

Secondly, strategy implementation in the public sector is likely to be perceived as not adequate if evaluated against standards grounded in the private sector rather than the public sector. One framework that is used to assess strategy implementation in the public service sector is called the 3 E's, namely economy, effectiveness and efficiency (Economic Commission for Africa, 2003). Thus, economy examines cost of goods and services required as inputs for the operations process while efficiency focuses on performance of the transformation process itself, in terms of ability to make optimum use of resource input in creating outputs.

Thirdly, effectiveness examines the extent to which the outputs of process meet the requirements of the stakeholders. It is notable that the 3E “S” framework treats these as independent such that the interlinkages between them are not explored to get a more holistic and rich picture. Lastly, strategic goals of public service are multidimensional (e.g. pro poor goals and privatization of service; widening access on one hand and improving quality delivery of service on the other etc.) (Economic Commission for Africa, 2003) These goals are predominantly social in nature and are not as easily measurable as determining profitability in a private organization (Brinkschroder, 2014; Van Donselaar, 2012 & CIMA, 2010).

Nonetheless, the fundamental issues remain that strategy implementation is a finer level of planning which involves the allocation of resources, tasks and the resolution of operational issues (Louw & Venter, 2010). To be more precise, strategy implementation translates work as per strategic plan into reality by utilizing all necessary personnel, resources, funds, processes and procedures in place (Brinkschroder, 2014). Employees at different levels play a fundamental role within the organisation in order to obtain efficient and effective implementation of the strategy implementation.

Some scholars argue that the Resource-Based View (RBV) by Barney (1991) provides a better approach that assist in explaining the value creation and strategy implementation in public sector organisation. In short the RBV asserts that a combination of resources which are valuable, rare, inimitable, and non-substitutable provides the organisation with unique and individual characteristics that lead to successful strategy implementation (Louw and Venter, 2010).

For example, a focus on human resources enables the municipality to deliver valuable services to clients. Many scholars agree that within a municipality in South Africa, management issues, which are central to strategy implementation are varied and include establishing annual objectives, devising policies, allocating resources, altering an existing organisational structure, restructuring and reengineering, revising reward and incentive plans, minimising resistant to change, matching managers with organisational strategy, developing strategy supporting culture, adapting operations processes and developing an effective human resource function (Hofert, 2006; Samuel, 2010; Alebiosu, 2005 & Brinkschroder, 2014).

According to Hofert (2006:30) municipalities in South Africa experience difficulty in implementing strategies without losing focus on their core mandate of service delivery. Alebiosu (2005:75) identifies political interference in the appointment of municipal staff as one of the factors which impede the implementation of policies and strategies.

2.5.2 Key Trends in strategy implementation research

While many executives and scholars are now realizing that strategy implementation is key to organizational success, they also acknowledge the trend of not having many models of strategy implementation. Nonetheless, the situation is gradually changing with the

development of frameworks such as Higgins (2005) 8 s and a variety of models on organisational architecture which are useful to study strategy implementation.

Research on strategy implementation has focused on three aspects: which are the (1) structural perspective; (2) interpersonal processes or issues and (3) interaction of planned strategies with organisational reality (Brinkschroeder, 2014; Jooste & Fourie, 2009). Firstly, structural perspectives are about the relationship between strategy formulation and structure. Strategy-structure and alignment is necessary for strategy implementation and adjustments to strategy-structure in response to competitive changes. Thus strategy-structure and alignment serves as a control mechanism for assessing performance during and after a new strategy implementation (Noble, 1999).

This resonates with the notion that overall firm performance is strongly influenced by how well an organization`s strategy and its execution are matched to its organizational structure and the behavioral norms of its employees. It is notable that the structural perspective to the study of strategy implementation is very much concerned with the dynamics and structural changes arising from interactions of strategy and structure, but also pays attention to the reality in the pre and post strategy implementation.

It is vital that scholars studying strategy implementation using the structural perspective are also mindful of other non-structural aspects of strategy execution. For example, findings of a study of over 2000 businesses and business units conducted by Olsons, Slater & Hult (2005) cautions that strategy needs more than structure and system. Strategy actually needs to be complemented by appropriate organizational characteristics, leadership and employee behaviors among others to create superior performance.

Secondly, strategy implementation research has also focused on the interpersonal processes or issues central to implementation of the strategy (for example strategic consensus, autonomous behaviours, diffusion processes, leadership style and their effects on implementation styles, communication and interaction of organisational members). The view of the interpersonal processes is interesting as it is concerned more on the leadership style and how information is communicated amongst officials in order for strategy implementation to be a success. As such, strategy implementation focuses on the social aspects of an

organization and promotion of strategic behaviors that are key to translate strategy into action.

It is profound to highlight that the interpersonal processes reflect more on the actors in the organization and their real work practices which leads to outcomes of strategy (Olson et al., 2005). While strategic behaviors in a commercial world are oriented towards creation and sustenance of competitive advantage (e.g. customer-oriented behaviors, competitor-oriented behaviors, innovation oriented behaviors, and internal/cost-oriented behaviors), it is noteworthy that strategic behaviors in the implementation of a water service provision strategy may require more collaborative approaches (Olson et al., 2005).

Thirdly, the study of strategy implementation has also focused on how the planned strategies and organisational reality interact with each other through communication, interaction, action and interpretation. Concisely, this approach does not focus on planned strategy or patterns of real work practice in the organization separately. In essence, this approach to the study of strategy implementation focuses both on the planned strategies and realized organisational reality-what was the strategy, how was it formulated, how was the strategy communicated, interpreted, adopted, and what kind of effect did strategy have on organizational members.

In nutshell, strategy implementation in this regard is associated with the adoption of a wider scope which requires a researcher to grasp both the planning of strategies and the real work practices through which strategies come true, and ultimately has effect. The current study acknowledges the existence of a centralized water service provision strategy at ADM. It is important to highlight that the study will not focus on how this strategy was formulated, but rather how it interacted with the reality and unfolded based on how strategy was communicated, interpreted, and also how action and interactions were taken in pursuit of the planned strategy.

2.6 UNDERSTANDING HIGGINS 8 “S” MODEL

As highlighted earlier on, the Higgins (2005) 8 “S” model is a revision of the McKinsey 7 “S” model. Higgins (2005:4) 8 “S” model consists of eight interdependent elements, reflecting a “cross-functional way of thinking about how to execute strategy and implement change across an organization” to achieve intended organisational objectives. In particular, it is important to highlight that Higgins (2005) 8 “S” model is made of 7 contextual S`s,

namely, strategy and purposes, structure, systems and processes, style, staff, resources and shared values which must all be aligned for strategic performance to be at its best.

Equally essential is the fact that the Higgins 8 “S” involves and insists on the alignment of these eight interdependent elements. In this regard, Higgins (2005:12) advises that for “any CEO or other strategic leader to be successful, they must ask themselves what each of the ‘S’s should be like in order for strategy to succeed”. Different strategies require different kinds of structures, systems, style, staffing, resources, and shared values to make them work.

Figure 5 depicts Higgins (2005) 8 “S” which is aligned. Subsequently, each of the eight elements is discussed in turn.

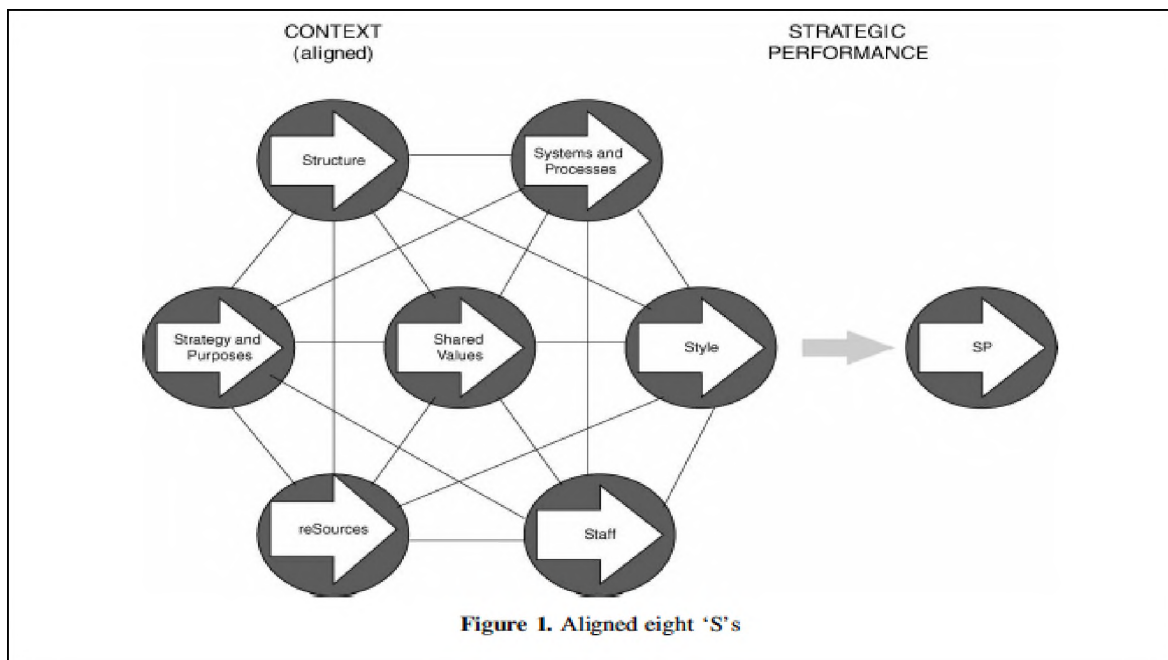


Figure 5: Higgins 8 “S” Model

Source: Higgins (2005:6)

2.6.1 Strategy and Purpose

Higgins (2005:5) argues that “strategies are formulated to achieve organizational purposes”. In this way, a change in purpose triggers changes in strategy. According to Higgins (2005) strategic purpose includes strategic intent, vision, mission, goals and strategic objectives. The centralized water service provision strategy at ADM was the corporate strategy. All the other strategies were expected to be aligned to enact this and ultimately achieve the purpose of ADM as an organization

2.6.2 Style

Style refers to a pattern that is consistent in the behaviour or manner in which leaders/ and managers relates with subordinates and other employees (Higgins, 2005:5).

2.6.3 Shared values

This focuses on the values shared by members of the organisation that make it different from other organisations. The original term of shared values is super-ordinate goals which refer to the significant meaning or guiding concept that organisational members share (Higgins, 2005). Shared values as a whole relates to organizational culture which impacts the way things are done.

2.6.4 Structure

Higgins (2005) is explicit that organizational structure consists of five parts. These are “jobs, the authority to do those jobs, the grouping of jobs in a logical fashion for example into department or divisions, the managers span of control and mechanism of coordination” (Higgins, 2005:5). Higgins (2005) further emphasised that all the aspects are interdependent and very important, so should one fail to pay proper attention to one of them, it can bring the others into misalignment.

It is important to realise that structure provides lines of authority with regards to communication and information flows from one level to the other within an organisation. The rights, roles and responsibilities of work are also demonstrated within the structure. In the case of a centralized organisation, management has the most decision making power which allows for a top down approach.

2.6.5 Systems and Processes

Systems, routinized processes and procedures in an organization are followed to get things done (e.g. information systems, quality control system, manufacturing processes, budgeting processes, recruitment and selection system, rewards and performance system, financial and procurement procedures). According to Higgins (2005) systems and processes enable organizations to implement day to day activities. Higgins (2005) also refers to formal and informal procedures.

2.6.6 Staff

This aspect of Higgins (2005) 8 “S” model reflects on four issues related to staff. These are (1) number of staff, (2) types of employees, (3) types of individual competencies and (4) group competencies an organisation needs to achieve its strategic objectives. According to Higgins (2005:5) management should decide on the number of employees, the required skills and also background in order to achieve the strategic purpose’. Equally important are issues around staff training, career management and promotion of employees. It is reasonable to explore people-related issues under this element when using the Higgins (2005) 8 “S” model.

2.6.7 Re-Sources

Resources are all assets that are available to the organisation for use during the operations and implementation of activities to achieve the objectives of the organisation (e.g. human, monetary, technology and raw materials). According to Higgins (2005:7-8) management must ensure that “an organization has access to sufficient resources toward successful strategy execution”. These resources may include people, money and technology and other management systems.

2.6.8 Strategic performance

Strategic performance reflects a holistic and balanced view of the organisation and entails knowing the total effectiveness and efficiency of the organisation. The process involves taking a comprehensive view at the business and setting objectives and goals. Management gathers information to measure performance and making changes where necessary in order to correct issues or improve the business performance. According to Higgins (2005) strategic performance is a derivative of the other seven ‘S’s. Strategic performance is controlled by an organization as a whole and that performance can be measured at any level.

Higgins (2005) also noted that financial performance measurements are critical indicators of strategic performance. However, the balanced scorecard is viewed as a better and more comprehensive approach to understand and pursue strategic performance. It is this understanding of strategy implementation in general, and the Higgins (2005) 8 “S” model in particular that informed the evaluative study of how a centralised water service provision strategy was executed at ADM.

2.7 SUMMARY

It is argued that the real value of strategy is realised when implementation has been executed successfully. Effective strategy implementation requires organisations to build a strategy-focused organisation, allocate resources accordingly and establish supporting systems through developing and installing the systems, incentivise performance and apply leadership. Literature reveals that no strategy will succeed without effective strategy implementation but there is a realization that transforming strategies into action is a complex and rarely understood phenomenon.

However, literature also reveals that there are models that can assist the managers to evaluate the effectiveness of strategy execution such as Higgins (2005) 8 “S” framework. This research has utilised the Higgins (2005) 8 “S” model to describe strategy execution and also understand the degree of alignment of the components of Higgins (2005) 8 “S” model as ADM was implementing its centralised WSP business model. The next chapter discusses the methodology used in this study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The aim of this chapter is to discuss the methodology used in this deductive qualitative study to answer the research question of: According to Higgins (2005) 8“S” model, how was the centralised water service provision model actually implemented and aligned at ADM?

To do so, it is important to reiterate that the objectives of this qualitative research were to describe the centralised water service strategy implementation by ADM according to the Higgins (2005) 8 “S” framework; to assess the levels of alignment amongst the Higgins (2005) 8 “S” framework components; to explain the influences of alignment on strategy implementation, and to ultimately make recommendations on how ADM can improve its strategy implementation. The current study adopted a deductive approach which moves from “the general to the particular, applying a theory to a particular case” (Babbie, 2011:25). Notably, this is different from inductive reasoning which “starts from the particular and moves to general principles” (Babbie, 2011:25).

As suggested by Remenyi (1996:22) research is not only about asking why the research is done, but it is also about asking what to research and how to conduct the research. In the light of this, the chapter begins with a discussion on the research paradigm, after which the research process will be described in respect of the sampling process, description of interviewees, data collection procedures, individual interviews, data capturing and data analysis procedures. The chapter also discusses issues of research quality, ethical considerations and limitations of this qualitative study before concluding with a summary.

3.2 RESEARCH PARADIGM

The aim of this section is to provide an understanding of the notion of a research paradigm and the philosophical assumptions of research. Crossan (2003:48) proposes that “no researcher is able to identify an appropriate research method without having a clear understanding of the philosophy of research”. In a similar vein, Denzil & Lincoln (2011) agree that a researcher should review the philosophical assumptions and paradigm of enquiry

which shape and guide their beliefs early in the research process. The emphasis is that all human knowledge and all scientific research follow a set of procedures which must begin with a set of assumptions, beliefs and paradigms (Creswell, 2014).

Pertaining to the notion of “paradigm”, Kuhn (1970) is the first scholar to conceptualise the term as an overall research framework. Kuhn (1970:147) defines a paradigm as “the entire constellation of beliefs, values, and techniques shared by a group of scientists with a common research interest”. There are five elements which make up a paradigm and these are a) a theory or group of closely related theories, b) an ontology, c) a set of methods or techniques-epistemology, d) a number of examples, striking applications, or typical problems linked to a theory and assumptions, and e) a value orientation comprising of evaluations of what types of problems are significant and the criteria for acceptable solutions (Kuhn, 1970).

A paradigm constitutes a set of wide-ranging and general philosophical assumptions that are shared by a community of scientists in a specified field or tradition (Kuhn, 1990). On the other hand, Guba & Lincoln (1994:105) propose that a paradigm is “the basic belief system or worldview that guides the investigator, not only in choices of method but in ontologically and epistemologically fundamental ways”. Similarly, Hall, Griffiths & McKenna (2013:17) maintain that “a paradigm describes a general perspective of how the world is viewed and provides a framework that explains how reality is understood by the researcher”.

In this vein, according to Denzin & Lincoln (1994:13), “ontology is concerned with what is the nature of reality and what can be known about that reality”. Kim (2003) suggests that reality can be separated into parts and examined individually such that the knower or researcher can be distanced from whom or what is being studied. However, Babbie (2011) conceive that reality can also be perceived as being socially constructed by actors acting together in a context, such that the researcher cannot be totally separated from what is known.

According to Guba & Lincoln (1994:108) “epistemology is concerned with the relationship between the knower, the would-be knower and what can be known”. Thus, epistemology as the study about knowledge relates to the question: “what is the relationship between the researcher and knower?” Furthermore, methodology is the systematic and theoretical study of methods applied in research. It relates to the question: “how do we know the world or gain knowledge of it?” (Denzin & Lincoln, 1994:13).

This study adopted the post-positivist paradigm (Guba & Lincoln, 1994) as the research sought to make describe and assess degree of alignment of centralised water service strategy implementation by ADM using mainly qualitative information. Post-positivism as a paradigm emphasizes the notion that although true reality exist we, can never fully understand it. Post-positivism is drawn from acknowledging the limitations in positivism which reveal that the methods used within positivism do not always apply to the social world (Babbie, 2011).

The object of the post-positivism paradigm is to use different lenses to understand, explain and demystify social reality (Guba & Lincoln, 1994). In this regard, the researcher privileges the lens of senior managers and interacts with them in individual semi-structured interviews to understand their reality regarding the implementation of centralised water service provision strategy.

The study was deductive and qualitative. Creswell (2014:185-186) purports that the following characteristics are important for qualitative research:

- (a) Natural setting: qualitative research is normally conducted on the site of participants and this gives a researcher an opportunity to make observations.
- (b) Researcher as instrument: the study is normally executed by the researcher who interacts with research participants, collects and analyses data.
- (c) Multiple sources of data: qualitative research may use multiple forms of data such as interviews, observations, and documents.

These three aspects resonate with the nature of this qualitative study.

3.3 RESEARCH METHODS

This is a case study of how ADM implemented a centralized water service provision. Case studies are often helpful to get a detailed contextual analysis of a limited number of events or conditions and their relationship. It is common that case study research generally answers one or more questions which begin with “how” or “why.” (Yin, 1994) According to Yin (1994:23) case study research method is an empirical inquiry that investigates a contemporary phenomenon within its real-life context. This method is used when the boundaries between phenomenon and context are not clearly evident. Yin (1994) also advises that case study method allows the use of multiple sources of evidence.

The case study method was chosen to get a detailed and contextual understanding of how centralized water service strategy was done at ADM, mindful that there were few top and senior managers who would provide interview data. In this regard, the use of documents was critical to get access to what managers would not remember, choose to omit or even not to talk about in an interview.

3.4 DESCRIPTION OF INTERVIEW SAMPLE

All interviewees were based in East London office of ADM in South Africa, and the study took place between August 2015 and September 2016. The study involved senior managers involved in matters of strategy implementation because they could reflect or retrospect on what was initially planned, compare and contrast this with what really happened over the years when ADM was actually implementing the centralised water service provision model.

The research participants were from the level of (1) Municipal manager who had been with ADM from May 2012, (2) Director of engineering services who had been with ADM since 2006; (3) General Manager of water services provision who had been with ADM since 2008; (4) General Manager of municipal infrastructure grant project (MIG) for water and sanitation who joined ADM in 2008 and (5) a Senior Manager who had been with ADM since June 2012.

Scholars are advised to use research participants with relevant knowledge and experience of a phenomena that is being studied, if they are to get meaningful results (Nastasi, 2014; Creswell, 2014). It is notable that research participants were from three different levels and were all considered to be members of the senior management team, and were selected because they are the employee group that manages or leads the water service provision strategy, thereby being largely responsible for driving the strategy implementation.

These members of senior management are also responsible for reporting on the quarterly and annual performance of water service provision in ADM, such that they have a rich knowledge on what has been happening over the years regarding execution of the WSP business model. All the interviewees had been with ADM when the WSP business model was formulated and also implemented; as such they were able to reflect on issues regarding strategy implementation.

3.5 DATA COLLECTION

Qualitative research by nature is vulnerable to bias as it is primarily based on the perceptions of peoples' reality. However, the main source of data was collected through individual, face-to-face semi-structured interviews with each of the senior managers at ADM. An interview guide which was developed to cover the eight aspects espoused in the Higgins (2005) 8S model was used to focus attention on the experiences of the senior managers in implementing the centralised water service provision strategy.

All interviews were audio recorded to ensure accuracy of data capturing (Nastasi, 2014). This was done with the consent of each senior manager. Interviews were conducted in the respective offices of the senior managers in East London. The average duration for each interview was 45 minutes. Where necessary, follow up interviews were used to gather additional information or to clarify developing themes. This process was also used to validate data gathered during the preceding interviews with the same individuals.

After transcribing the interview data, each research participant was given a chance to read, check and correct the accuracy as well as meaning of what was captured in the individual face-to-face interview. In addition to individual interviews, complementary data was collected in a form of documents. These were documents such as quarterly and annual, performance reports for the past four years, the various Integrated Development Plans, on aspects of strategy implementation and also minutes of water and sanitation meetings.

3.5.1 Data capturing

Each interview was recorded (with the permission of the interviewee) to ensure that the researcher was focused on the discussion and not on recording the responses of the interviewee. Thereafter, the researcher recorded transcript based on these audio recordings to ensure that any emergent themes were identified early. This was also useful in identifying required improvements in the interview process that were then used in subsequent interviews.

3.5.2 Data analysis

All interview data was transcribed. Both primary and secondary data were analysed through thematic analysis where data was coded and classified in order to establish meaningful patterns and obtain relevant information on each component of Higgins 8 “S” model and alignments (Russel, 2015). The draft report was given to research participants for their approval before a final report was compiled.

3.6 RESEARCH METHODS, PROCEDURES AND TECHNIQUES

Credibility, dependability, transferability and confirmability are key issues in qualitative research. Johnson (1997:287) assert that credibility refers to the degree to which a researcher is justified in concluding that observed relationships are true, and ensues from examining each possible clue, and attempting to rule out each rival explanation generated. Corroboration and triangulation of the findings between research participants, but also between interview data and internal documents (data triangulation) and member check have been used in this study. In pursuit of dependability, the researcher has provided a clear discussion of the process and steps used in this study that it is easy for another researcher to repeat the study. In other words, the researcher has created an audit trail. Direct quotes from interviews have been used, but also assertions have been linked to findings and interpretations in a discernible way as part of confirmability. In terms of transferability, enough clarity and contextual details is provided on the case of ADM such that a reader can establish the degree of similarity between ADM to any context to which findings may be transferred.

3.7 ETHICAL CONSIDERATION

With regards to ethical considerations the researcher works in the same department as the research participants. This posed a potential risk of bias by advancing personal views of the researcher, or research participants withholding information for fear of being judged. Senior managers as participants in this study were informed that their names will not be revealed in the report of the research findings. Instead, all research participants are referred to as senior management.

In this respect, it is suggested by Remenyi (1998: 111) that one of the keys to acquiring accurate and reliable data where qualitative research is involved, is to provide the informants with several key assurances, namely that

1. The researcher has no any hidden agendas;
2. The researcher is open and honest;
3. The researcher declare any conflict of interest that existed that may influence the data gathered, and
4. The researcher will not gather evidence from informants that are under duress.

An introductory letter outlining the objectives and nature of the study, ethical issues and seeking informed consent from the interviewees was given to each of the senior managers at ADM. Furthermore, senior managers were also informed that they were free to withdraw from the study at any time if they wanted. It is vital to highlight that prior to conducting the research, the researcher received formal permission to perform the research in the organisation.

As such, participation in the research was voluntary and informed by the provision of anonymity and ensuring that no one would suffer in any way because of participating or freely expressing their views in this study. Furthermore, the creation of open atmosphere and also by ensuring that the researcher used her inside knowledge of the organisation to probe issues but also validate her own perspectives by making them available for scrutiny by research participants helped to enhance openness.

3.8 LIMITATIONS OF THE STUDY

There are two key limitations of this study. Firstly, the limitation of this study is that it has adopted a managerial view of strategy implementation and excluded the lower-level employees that are in the field and are part of the day-to-day strategy execution. In this regard, the findings reported in this study are partial, and provide just one side or angle of the story of how centralised water service strategy was actually implemented and aligned.

It is very possible that a focus of views of lower-level managers and employees may not simply bring diversity of participants, but also illuminate different perspectives inadvertently

missed or deliberately downplayed by this category of managers at ADM. Another limitation is that the sample size was small. In the light of the small sample, in-depth and follow-up interviews were used to capture rich data as much as possible. Additionally, the use of a variety of data sources in a form of internal documents also helped to triangulate data. It is on the basis of the small number of senior managers at ADM, that all of them were included in this study.

3.9 SUMMARY

This chapter has highlighted that this qualitative study used a post positivist paradigm, which posits that reality exists, although it cannot be understood exclusively in an objective way. The research adopted a case study method. The chapter has also showed that this case study which was deductive collected data from interviews with senior managers at ADM and also documents. Purposive sampling was used to identify research participants while data was analysed using thematic analysis. Research quality issues, ethical consideration and limitations of this qualitative case study have all been discussed in this chapter. The next chapter focuses on the findings of this study.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

The aim of this chapter is to present the findings of this exploratory qualitative study, where the specific objectives were to describe how the centralised water service provision strategy was implemented by ADM. The study was also interested in assessing the extent of alignment and its influence on the execution of the strategy by ADM according to Higgins' (2005) 8 "S" framework. In this vein, the chapter begins by presenting findings which describe how the centralised water service provision was implemented. This is followed by findings which assess the degree of alignment amongst the various components of Higgins' (2005) 8 "S" framework and ultimately explain the influence of alignment on strategy implementation. The chapter concludes with a summary.

4.2 CENTRALIZED WATER SERVICE PROVISION STRATEGY IMPLEMENTATION

The section below presents findings based on each component of Higgins' (2005) 8 "S" model to depict how ADM implemented the centralised water service provision strategy.

4.2.1 Strategy and Purpose

In this study, a variety of themes emerged to reflect how each Senior Manager (SM) understood the centralised water service provision strategy and the purpose behind its implementation. In particular, four different but complementary themes, namely (1) sustainable water service provision to all; (2) pro-poor biased water service delivery; (3) provision of water infrastructure facilities and (4) service restoration and capacity building of local municipalities to provide water, reflects how members of senior management conceived the strategy implemented by ADM in the past four years. In terms of purpose, there was one theme of (1) water being a human right with regards to the South African constitution and should provide potable and palatable drinking water to reduce water borne diseases and foster healthy living.

4.2.1.1 Sustainable water service provision to all

Commonly, four of the five members of senior management upheld the view that the centralised water service provision strategy was about sustainable provision of water to all. In this respect, internal resources were vital to support consistent, reliable operations and provision of water in the local municipalities. One of the members of senior management reflected on how the real requirements to execute this strategy were not just different from what was available, but also overwhelming to ADM. As such, ADM had to request external and institutional support from Amatole Water (AW) as an interim solution to operate bulk water infrastructure as illustrated below:

“Our water service provision strategy is to provide an effective, efficient and sustainable water services to all our communities. This means we have to be better and provide water all the time to our people...at the initial stage when implementing the strategy AW played a major supporting role through operating bulk water infrastructure. AW provided management support and expertise. ADM merely focused on network reticulation supply to communities. Later ADM felt ready and capable. Finally, ADM council took a resolution to remove AW from all the duties performed on behalf of ADM” (SM: 1).

While some members of senior management upheld the common view that ADM strategy was about sustainable water service provision to all, there were also minor differences in their understanding as they emphasized varied and specific aspects of this strategy.

4.2.1.2 Pro-poor biased water service delivery

There were three members of senior management who highlighted that their strategy was predominantly pro-poor in the water service provision. Nonetheless, the strategy did not ignore the needs of others citizens who were not poor. With focus on class and geographical location of the recipients of water service, one of these senior managers had this to say:

“Our strategy is aligned to our vision. This commits us to sustainable services to all communities. The water service provision strategy we have been implementing is pro-poor biased. However, the services are

provided both to urban and rural areas within the RDP standards in terms of water” (SM: 2).

4.2.1.3 Provision of water infrastructure facilities

Among the members of senior management at ADM, there was only one who conceived the water service provision strategy in terms of provision of water related infrastructure (e.g. low maintenance on new facilities etc.). This member of senior management expressed this emphasis on water infrastructure provision as follows:

“The main strategy of ADM is eliminating water services backlog through provisioning of basic level of services to all communities within its area of jurisdiction as per RDP guidelines. Thus, ADM strategy is the provision of infrastructure to ensure effective water services and sanitation delivery” (SM: 3).

In a slightly different vein, the same member of senior management shed more light on how financial constraints were actually impeding progress in infrastructure provision as illustrated below:

“The strategy to eliminate water services backlog has been to ensure that all ADM citizens’ benefit to the basic level of services as per the Constitution of SA. Targets were initially set by National Government that all water backlog to be eradicated by 2010 and sanitation by 2012, but due to financial constraints as the Municipality depends on grants to be able to do the function this was shifted to 2017. The rate at which the grant is received which is not enough to meet the identified projects to eliminate the backlog shows that even 2017 will not be achieved” (SM: 3).

To corroborate these interviews, the introductory part of the 2015/16 annual report also illustrates this infrastructural aspect of water service provision as follows:

“major infrastructure initiatives in 2014/15 in ADM included pipe replacements in Butterworth, as well as refurbishment of Adelaide canal

and two dams in Idutywa.....A war on leaks” project was undertaken in Butterworth”.

4.2.1.4 Service restoration and capacity building of local municipality to provide water

It is notable that immediate restoration of proper service but also building of capacity of local municipalities to resume their water service provision function was the strategy being implemented by ADM. This was concisely articulated by only one of the senior managers as follows:

“In our area of jurisdiction as ADM, we have seven local municipalities which had lack of capacity in terms of delivering water service function in 2012. Our strategy as a district was to take over the delivering of water services from local municipalities, slowly develop the capacity of local municipalities and later assess the possibility that they provide this service to their citizens. In actual fact, the centralized initiative was to ensure that there was proper service delivery in terms of water. Certainty of constant water supply was needed and also proper management of the entire water service within the district” (SM: 4).

4.2.1.5 Perform legal mandate

There was a narrow view that the purpose of ADM was all about fulfilling the legal mandate in respect to water service provision to all citizens in the area of its jurisdiction. In the same way, the notion of water as a basic human right and access to clean water by all citizens recurred as a key aspect conceived by senior managers as the purpose of ADM.

“The purpose of ADM is to achieve the mandate given the fact that water is a basic human right for all. Everyone has a right to access clean drinking water, hygiene and sanitation facilities. We discussed these at the strategy formulation stage in 2012 and now we are putting them into action. Eliminating water services backlog to ensure that all ADM citizens benefit to the basic level of services as per the

Constitution of SA. Challenges are there as there are many vacant key posts, funds are a problem and people are also resigning time and again” (SM: 5).

Interestingly, this senior manager also reflected on quality dimensions of water services and minimising of the risk to the environment as part of the water service provision strategy implemented by ADM.

“The purpose of what we have been doing is to provide safe, reliable, sustainable, drinkable and portable water to our communities. We have been trying to ensure that water services are sustainable and harm to the environment is minimized. With many vacancies in key positions in our structure, this has not been easy” (SM: 5).

An excerpt from the annual report of 2015/16 confirm that reliability, affordability, and specified distance of 200 metre radius to access potable water were some of the aspects of the objectives which suffered because of resource constraints:

“One of ADM’s objective when rendering water service is to provide reliable and affordable supply of potable water and sanitation to the communities, ensuring that the supply is within a distance of 200 meter radius...this contributes to improved living standards of the people in an area and reduced prevalence of water-borne diseases. We have been working towards the national water service delivery targets of “adequate potable and effective supply of safe water for all by 2017”...Suspension of projects due to not enough budget for implementation has affected the improvements drastically” (ADM: 2016).

It is notable that senior management viewed the purpose of ADM water service provision from the narrow and legal point of view of purely performing a legal mandate.

4.2.2 Structure

The findings of this study reveal that there were several patterns in the structure used by ADM to actually execute the centralized water service provision model. These include (1) the creation of new structures such as satellite offices to enhance responsiveness to faults and rapid resolution of water problems; (2) drive away from unique to uniform structure in all local municipalities to operating as business units, (3) an expanded role of operations managers at each local municipal level to operate as a business unit and (4) enhancing accountability to management in order to hold middle managers responsible for their respective functions.

Firstly, it is notable how senior management explained that the grouping of jobs in satellite offices assisted in improving turnaround times to deal with minor queries and faults in the communities.

“The structure changed and introduced satellite model. This has contributed towards improving the turnaround time on water queries made by the communities. Staff are positioned at the satellite offices to help...repair pipe and deal with minor matters on the ground. Although things are like this, the proposed structure has not been fully implemented due to financial constraints. Not all positions were filled. This is currently affecting delivery of services to communities”(SM: 5).

Interestingly, this senior manager also expressed how technically similar jobs were grouped together to improve employee communication as well as service.

“Within the water service provision, electrical technicians were positioned on electrical services within the Treatment Works. Same, mechanical technicians were put on the mechanical section, while civil engineering technicians were placed at water reticulation network such as bulk lines for the supply of water. This arrangement improved communication between one employee to another ...we have improved our water service...we are sometimes getting faster in responding to faults, queries and repair works”(SM: 5).

Secondly, findings in this study indicate that there was also a shift towards a uniform structure and operations in all the seven local municipalities as business units. The senior manager explained the new holistic approach in all local municipalities, but also how the shortage of managerial staff was undermining strategy execution at ADM:

“The main key positions were that of seven operations managers, the positions were to be accountable and responsible for the entire operations at each local municipality within ADM. In the past each local municipality had a unique structure, different from the other. This was changed and is now the same under an operations manager, each operates now as a business unit. We do not have all operations managers in place, we only have four instead of seven” (SM: 5).

Thirdly, structural changes also expanded the span of control and variety of responsibilities of operations managers at local municipal level to run the business of water service provision. The new and expanded role of operations manager which included technical and revenue related tasks was reported by one of the members of senior management as follows:

“The old structure provided for one regional manager responsible for more than one local municipality. The new one has one operations manager for each local municipality to operate the water services as a business unit by identifying the best possible ways of running the water services through correct recording and capturing of household units but also proper monitoring and collection of revenue” (SM: 5).

Lastly, members of senior management asserted that the structure at ADM was changed to enhance accountability and ultimately hold middle managers responsible for their functions. Notably, ADM created few new senior management level positions at the satellite offices but also head office to deal with day-to-day issues. While this had the potential to relieve the director with day-to-day technical operations so that he focuses on strategic aspects, this has not been the reality.

“ADM re-looked at its organogram and existing staff to identify people who would be at a strategic level of general manager reporting to the director. These were new positions added to the new structure to help deliver water services based on ADM capacity. As water is a technical

issue, many technical issues often still find their way to the director as general managers are not water experts” (SM: 4).

4.2.3 System

This study has showed that ADM used a variety of systems to implement the centralised water strategy. Initially, some of systems which focused on the technical and water-related issues were characterized as less user-friendly and slow. ADM also used finance and supply chain oriented systems, standards, policies and routines in the efforts to implement centralised water service delivery. One of the members of senior management recollected the change from very frustrating software to another one which is now used by everyone, but also facilitates quick on-line approval of requests by line managers.

“We were using EDAM software system to assist in capturing data from water service operations. However, there was a huge issue regarding EDAM. The software was massive and frustrating to work with. It was very slow, very few people used it. In-touch software was later introduced which has been able to record all activities undertaken with water service provision. In-touch is good; it allows and pushes relevant line managers to make authorizations quickly. All staff in the water service provision uses it as a day-to-day system. It is better, more effective than EDAM. Approvals are now faster than before although delays occur especially when line manager is busy with meetings” (SM: 2).

Additionally, ADM also used people-related systems to properly record, report and evaluate performance in different functions at different organisational levels, and also to get a bigger picture of what was done at ADM. One of the members of senior management highlighted how the performance management system was useful in shaping goal-oriented actions and improving manager-employee consultations.

“After strategic planning session, people are busy doing what they planned. Individuals in their respective functions report their performance every quarter to their line manager. The line manager reports up to his or her boss until there is a big picture of what ADM has done in each quarter. This shows what has been met or not; and why. This system has improved

consultation between subordinate and line managers from the top to the bottom. But it takes time for everyone to understand and accept change. There are few people who feel the performance appraisal is just a compliance issue and does not mean much. There are also other useful general systems which we use such as supply chain systems” (SM: 5).

4.2.4 Staff

This study revealed deep and ongoing shortages in numbers in general, but specifically in the mix of technically qualified and skilled people in several key functions, which compromised the full execution of the centralised water service strategy by ADM. This is what one of the members of senior management had to say regarding the necessity of having the planned number of mechanical and electrical (M&E) artisans and process controllers; the scarcity of some of the technical skills; and also difficulty of recruiting and retaining this type of employees by ADM.

“There were two fundamental positions identified that of M&E artisans and process controller. The positions play a key part in water supply and controls. ADM is the second municipality with the highest number of treatment works in the country. This means more treatment works in ADM ...more pump stations and more relevant technical skills...the number of M&E artisans and process controllers is regulated with clear specification of what is required. At ADM the planned number has not been achieved due to resignations, but also financial constraints which the district is facing. ADM has not been able to fill in the vacant positions, but has to comply with regulation. This is a high risk and is slowing down service delivery” (SM: 2).

Similarly, another member of senior management pointed specifically to the shortage of electrical and mechanical managers at ADM, compared the planned and current level of staffing, but also surmised the worsening consequences on water service delivery, as illustrated below

“According to our plan ADM is supposed to have six full-time mechanical and electrical managers employed in order to effectively deliver the water services. We currently have none. The other critical shortage is with electrical and mechanical artisans as the division has

recently received three resignations. This has further worsened the situation and difficulty of water service provision” (SM: 5).

In shedding more light on the reasons why there was not the appropriate number and recommended type of technically skilled employees at ADM, one of the members of senior management revealed the influence of financial constraints on staffing as follows

“Water services division prioritized the filling of positions according to the structure. However, the number of positions as well as people per position was reduced where necessary considering the availability of funds” (SM: 2).

However, it should be noted that there was a number of five positions, that of operational managers at the satellite office that are vacant and have not been filled in.

4.2.5 Style

There were formal and goal-driven interactions between managers and employees; and also a strong focus on individual performance which were key in the patterns of styles of managers at ADM when implementing the centralised water provision strategy. One of the members of senior management reflected on how a consistent pattern of transactional behaviours were exhibited by leaders and managers when relating with subordinates and other employees to implement the strategy.

“Managers focused on planning activities together with subordinates...Identifying what activities to undertake and where. These were followed by reviews every quarter. Managers and subordinates discussed targets, what was met or not met, and why. Remedial actions were also part of such reviews. This formal approach has created some responsibility and accountability. It has improved on close, clear consultations. There is now a growing focus on goal-driven discussions between managers and subordinates....and all of us. Awards and promotions are given to the best performers” (SM: 2).

Furthermore, there was also evidence of attention to team work through team building exercises to create and foster a sense of togetherness among employees. The study revealed that ADM held team building events for managers and employees every year to help them build effective teams in their respective departments. This is what one of the senior management team had to say about the significance of team work among water specialists with different professional backgrounds:

“Team building is done annually for each department and involves all employees. This is to improve and enhance better relations between management and employees. Teams are important to deal with water issues and faults in our communities. In ADM a team at satellite office comprises people with different backgrounds and skill such as mechanical and electrical engineers...artisan...meter readers etc., but have to work as one. However, the huge lack of key technical skills in some of the team’s means there cannot be a complete and effective team anyway. But we are doing our best. Managers attended a team building at Fish river sun resort in 2014. In 2015 we had it at Cape St Francis resort” (SM: 4).

Notably, the numerous and persistent vacant key positions within the organisation were a stumbling block to create complete teams. As a result of an incomplete skills mix in the teams, some managers at ADM relied on interactions with providers of out-sourced support to get things done.

To ensure role clarity and task performance, ADM used various vehicles such as change management training to minimise employee resistance. Additionally, various vehicles of communication that were used included face-to-face interactions to help employees work in their changed roles. This was summarized by one of the members of senior management team as follows:

“We had briefing sessions by the municipal manager and senior managers of water service provision. But it takes time for everyone to understand and accept change. All people do not accept change at the same time as change is difficult to some people. This is a hindrance as some people resist the change. ADM paid attention to issues of resistance and change management to eliminate resistance amongst

employees. There were many types of training on change management, managers held awareness briefings and sessions at different levels within ADM to discuss, share issues and inform people on what they needed to do in their changed roles and why. Initially, people did not even understand the structure. Who does what...who is responsible for compliance of water service provision? However, after sometime ADM felt it was capable in the new structure to implement the new strategy. We have been doing our best so far” (SM: 4).

There were also incidents which illustrate that managers at ADM were open and tolerant to different views while looking for a rallying point for strategy implementation at ADM.

“The water provision strategy recommended engineering managers to lead each of the satellite offices. This was because water services are seen as specialized services which require a qualified manager within the water sector to perform the expected duties effectively. However, that was not warmly welcome by some of the water service provision team members. Price Waterhouse Coopers recommended operations managers with responsibility for everything-engineering. We have a satellite manager as head of satellite office with an engineering operations manager below. This is what is being implemented” (SM: 5).

4.2.6 Resources

This study shows that financial and human resources that were made available to implement the strategy were not compatible with the depth and variety of changes that were necessary for ADM to effectively implement the centralised water service strategy. Many of the senior management team complained specifically about how human resources were not adequate to execute the centralised water service and resulted in poor service delivery, compromise on quality standards, excessive overtime and fatigue for some employees.

There was a variety of vacant positions at key managerial levels such as operations managers in four of the seven LMs while the managerial functions of electrical and mechanical engineering had no manager at all as reflected earlier on. Similarly, low level technical skills

in the form of artisans were also not adequate which compelled ADM to out-source some of its technical responsibilities at great expense. As explained by of the members of senior management the situation of human resources at ADM was also worsening the financial position.

“The planned number of mechanical and electrical artisans, operations managers, electrical managers and others has not been achieved. There are resignations of mechanical and electrical artisans. ADM has not currently been able to fill the vacant positions due to financial constraints” (SM: 5).

In terms of financial resources, there were also difficulties to finance the centralized water service strategy. An extract from ADM’s annual report of 2015/16 corroborate about the insufficiency of financial resources and how this had negative effects on water strategy execution; and impacted on water service backlog as well:

“During this financial year (15/16) an allocation of R80 million has been made to assist with interim measures on water supply as well as unblocking all those schemes that were done previously but due to some challenges are not working. The grant has been changed to a Water Services Infrastructural Grant to also accommodate sanitation projects starting on 16/17 financial year. Current financial streams that ADM is getting as an allocation to address the infrastructure projects are not enough to eliminate the water services backlog, as such the institution is doing what is possible with the available funding” (ADM: 2016).

4.2.7 Shared values

Although some of the members of senior management were reluctant to talk about shared values of their organization because they considered them as sensitive, there were two values which emerged as common and shared by most of them. The two guiding values evident at ADM were employee care, recognition and support, and also cooperation. It is interesting that these two shared values were key in shaping employee behaviours and the way things were done at ADM, but were not part of the espoused, shared values of ADM. To be precise, the documented and explicit values of ADM, which are shown in Appendix 1 included (1) selflessness; (2) pro-poor; (3) responsiveness; (4) transformative; (5) inclusivity; (6) dignity and respect; (7) good work ethics; (8) transparency; (9) integrity and (10) accountability.

In the light of this espoused values, it is evident that there was a mismatch between what were officially espoused and documented as shared values of ADM and what was actually being manifested by employees in their day-to-day work life. It is apparent that the values of “employee care, recognition and support” and “cooperation” emerged from the contextual and practical needs perceived by employees as key to get things done at ADM. It was surprising that none of the ten espoused values were mentioned by senior management, while what emerged as shared values were totally different and included “employee care and support” reported as follows by senior management:

“Leadership has been prioritizing the employees at ADM. We have been having awards for outstanding performance; people have been promoted to identify positions...and there is also provision of essential car user scheme for field workers. The intention of all these is to take care of all employees for them to give back to the institution by achieving their performance goals” (SM: 5).

Some of the members of senior management thought that ADM puts employees at the centre of water provision not because issues about employees were always discussed in various fora, but because there was employee involvement and consultation. This is how one of the senior managers exemplified how employees mattered and were involved and consulted at ADM:

“ADM puts employees first, right at the centre of the water service provision. Involving and consulting with employees throughout the

organization is part of our mission and happens throughout the implementation. There is a senior management forum which discusses matters of policies and how they are affecting employees. Once in a while executive management sits regularly to ensure that employees understand what is happening and have a buy-in of the implementation of water service provision strategy. We believe that people matter very much here” (SM: 2).

Cooperation as a value was important among employees and also external service providers at ADM to get things done. Focusing on cooperation at different levels and with different stakeholders, this shared value was expressed by one of the senior managers in this way:

“On-going cooperation by all local municipalities was very good as they have been in the water sector themselves and know most of the challenges. ADM and these municipalities share a common goal of quality water services provision. The standards of water services were not lowered. We cooperated with AW who imparted skills to us and developed our internal capacity. We still cooperate with other out-sourced service providers all the time. We also cooperate among ourselves. Water is specialized and there is need for many specialists to cooperate, although it is not easy for me to say that all employees share the value of cooperation. But many of them do” (SM: 4).

4.2.8 Strategic performance

Strategic performance of ADM was viewed from both financial and non-financial aspects. In financial terms, ADM struggled to adequately provide funds to effectively implement the centralised water provision strategy. This financial difficulty led to many unfilled positions in the organogram, and reduced the number of employees. To illustrate this, an excerpt from one of the internal correspondences depicts the severity of staff shortages, negative implications on work-life balance of employees and the impossibility of continued operation with inadequate staff at one of the water treatment works

“Butterworth is the largest of ADM’s water treatment works and there are currently only three process controllers. Considering that process

controllers need to be on duty day and night and that they work shifts (4 days on and 4 days off) and need to take leave from time to time. It is impossible to operate the plant with only three process controllers” (WSP: 2016)

In non-financial terms, the same annual reports also confirm that ADM was struggling to reduce the quantity of water loss and effectively deal with the major causes of this critical issue. The excerpt below is from the annual report of 2014/15 and highlights the existence of high water loss, pinpoints its cause, and also the difficulty for ADM to find a lasting solution.

“High rate of water loss remains an on-going challenge to ADM. Leakage beyond meter, particularly in low income areas results in substantial water waste. This is mainly due to the difficulty of indigent consumers to maintain or repair their toilet cisterns” (ADM: 2015).

In a similar vein, strategic performance of ADM was also evaluated in terms of infrastructural failure to cope with demand for potable water especially in rural areas, which inadvertently compelled some household to connect water illegally and meet their need. Another extract from 2014/15 annual report of ADM states:

“Another concern which also contributes to the high water loss figure is the large numbers of illegal connections, particularly in rural areas. Owing to the limited design capacity of rural water supply schemes, ADM is currently unable to authorize yard connections as it has a high potential to draw excessive amount of water from the scheme. This has not stopped household from connecting illegally anyway. While this water is being consumed by these households, it is not metered and billed. It reflects as a water loss” (ADM: 2015).

One of the overall evaluative comments on water service provision as reported in the annual report of 2014/15 admits that while ADM has made some progress in water service provision, this is however characterized by minor impact and compromise on water quality.

“Due to the fact that water projects under implementation are multi-year projects and they also cover bulk services (Mncwasa, Xhora, Sundwana & Idutywa East Regional water supply schemes), this has

resulted in minor impact in terms of addressing water backlog as such the improvement is 2% comparing to the previous year” (ADM: 2015).

There was also a variety of national standards such as RDP standards, regulatory standards of water quality (e.g. blue status) and policies on water tariffs which were key in the effort of ADM to ensure water services were compliant, safe and affordable by the communities. However, inevitably ADM failed to achieve a blue drop status for any of its water treatment works.

Furthermore, the suspension of a significant number of projects due to financial constraints also reflects the strategic performance of ADM regarding water service provision. An excerpt from 2015/16 internal progress report on implementation of projects compiled by Project Management Unit confirms that the following 17 projects were among those that were suspended, with the hope of resumption in July, 2016.

- under Mbhashe local municipality-7 projects
- Under Mnquma local municipality-5 projects
- Under Amahlathi local municipality-1 project
- Under Nkonkobe local municipality-2 projects
- Under Great Kei local municipality-1 project
- Under Nxuba local municipality-1 project

However, the annual report of 2014/15 reflects growth in the number of people accessing public tap water from 186624 in 2013\2014 to 187209 in 2014\2015. Clearly, this growth is small while the percentage of households receiving service above the minimum level has stagnated at 91% since 2014 as reported in table 3.

Table 3: Households water access and service levels

| Description | Year 12/13 | Year 13/14 | Year 14/15 |
|---|------------|---------------|---------------|
| | Actual No. | Actual No. | Actual No. |
| <u>Water: (above min level)</u> | | | |
| Piped water inside dwelling | 31902 | 31902 | 31902 |
| Piped water inside yard (but not in dwelling) | | | |
| Using public tap (within 200m from dwelling) | 125467 | 186624 | 187209 |
| Other water supply (within 200m) | | | |
| <i>Minimum Service Level and Above sub-total</i> | 157369 | 218526 | 219111 |
| | 65.57% | 91% | 91.3% |
| <i>Minimum Service Level and Above Percentage</i> | | | |
| <u>Water: (below min level)</u> | | | |
| Using public tap (more than 200m from dwelling) | | | |
| Other water supply (more than 200m from dwelling) | 82631 | 21474 | 20889 |
| No water supply | | | |
| <i>Below Minimum Service Level sub-total</i> | | | |
| | 82631 | 21474 | 20889 |
| <i>Below Minimum Service Level Percentage (%)</i> | 34.43% | 9% | 8.7% |
| Total number of households | 240000 | 240000 | 240000 |
| <i>To include informal settlements</i> | | | |

Source: ADM annual report 2015/16

The above description of each of the component of Higgins' (2005) 8 "S" reflects how ADM implemented the centralised water service strategy. The next section reports on the degree of alignment of the various elements of Higgins' (2005) 8 "S" model and how this influenced centralised water service strategy execution.

4.3 NON-ALIGNMENT IN STRATEGY IMPLEMENTATION AT ADM

In the way ADM implemented its centralised water service strategy, there were a few aspects of Higgins (2005) 8 "S" which were aligned while the majority were not, such that they negatively affected strategy execution. For example, the emphasis on the performance management system, employee care and support were aligned to water service provision strategy, mindful that strategy is executed by employees who feel that the organisation support and takes care of them.

Another example of alignment is the system called in-touch that was introduced by ADM which was compatible to the needs of employees for a more user-friendly and interactive system. The in-touch system helped to improve communication, and expedite approvals by line managers as part of centralized water service provision. Furthermore, the grouping of technical people together (e.g. mechanical artisans together, electrical artisan together etc.) helped to improve on internal communication between employees reflects alignment between structure and staff. This is one of the instances where structure and type of staff were partly aligned.

However, this section focuses on components that were non-aligned and how they influenced strategy implementation at ADM. There are three main areas of non-alignment in the way ADM implemented the centralised water service strategy.

4.3.1 NON-ALIGNMENT OF STRATEGY AND RESOURCES

While the centralize water service provision strategy had a pro-poor biased water service delivery, the inadequate resources led to suspension of pro-poor water projects. In this respect, the annual report of ADM for 2014/15 reflect infrastructural failure to cope with the demand for potable water, especially in rural areas, which inadvertently compelled some household to connect water illegally to meet their need. In these instances, there was lack of

resources to up-grade existing infrastructure to serve citizens, which affected the poor most negatively.

In terms of impact, the 2015/2016 annual report for ADM show that resources were not aligned to the pro-poor strategy which resulted in minor impact on household water connections and also the suspension of 17 water projects mainly in rural areas due to financial resources.

“ADM has encountered financial constraints during the 2015/16 financial year as the municipal water infrastructure grant allocation was not enough to cover the available commitments and this has led to suspension of projects in urban and rural areas that were under construction with the aim of continuing them in the next year. This has resulted in minor impact in terms of addressing backlog as only 4113 households were connected with water” (ADM: 2016)

Additionally, the failure to appoint operations managers in half of the local municipalities, which are predominantly rural, exemplify how resources undermined the quality of water service and support given to the rural poor.

4.3.2 NON-ALIGNMENT OF STRUCTURE AND STAFF

Overall, the centralised water service provision strategy executed by ADM was characterized by a serious and never-ending misalignment between structure and staff. This misalignment was due to unfilled positions in the organogram at managerial, technical and artisan levels at ADM.

One of the senior manager at ADM focused purely on mechanical and electrical skills to pinpoint the technical gaps in the existing structure, which were not only impeding implementation of centralized water service provision, but were also incongruent with the recommended number of employees in each position and relevant skills.

As a result of this type of non-alignment, ADM has not been able to cope with the demands of centralised water service provision. Besides the necessity of external expertise and division of roles between ADM and AW in the initial period, it was also reported repeatedly that mechanical and electrical services at ADM were still being outsourced due to lack of staff.

One of the senior managers reflected on this type of misalignment between structure and staff and how it was specifically impacting on other aspects such as financial resources:

“ADM is experiencing challenges with mechanical and electrical artisans (M&E) which is affecting service delivery. Because of vacancies, ADM is relying on a service provider to perform these M&E services. This is draining a lot of finance from the institution” (SM: 5).

Documents and interviews corroborated on the nature of the poor alignment between structure and staff and also its negative effects on service delivery, and employee well-being. In justifying a request to fill thirteen different vacant positions of various technical staff, an extract from one of the internal correspondences between senior managers in August 2015 reflects the gravity of how structure and staff were misaligned and consequently affecting the well-being of staff.

The negative effects of the non-alignment between structure and staff were evident at various levels. At community level this was through delays in water service delivery, at organisational level it was through high costs through overtime payments while some individual employees were overworked.

“Water service provision requires a range of skills in order to perform its responsibilities. These include process controllers who operate the Water (30) and Waste water treatment (15) facilities (which operate 24 hours per day, 7 days per week), plumbers who maintain the pipe networks (over 7000km) and reservoirs (1264) and mechanical and electrical artisans...much time are spent travelling to various schemes. In order to provide effective service it is therefore necessary to have dedicated staff in each area. A matter which compounded the problem was that the budget for all vacancies in November 2014 were re-allocated to other cost centres even though a number of these vacancies were as a result of resignations, retirement or death...This has made rendering of services in certain areas extremely difficult and resulting in some staff refusing to work excessive overtime claiming health-related issues and fatigue, making it difficult for staff to take leave...also resulting in delays in responding to breakdowns” (WSP: 2016).

The misalignment between structure and staff was not only deep but also recurrent at ADM. In the subsequent year in May, 2016 another manager wrote a motivation for emergency recruitment of six interns to fill vacant posts left by process controllers. An excerpt from the correspondence aptly captures the gravity of employee shortage and its repercussion on water supply.

“ADM is currently experiencing challenges with shortage of staff due to positions vacated by Process Controllers for various reasons like resignations, deaths and retirement. During the period July 2015-May, 2016 we have lost 16 Process controllers in all regions...this will have negative impact on our Blue drop status” (WSP: 2016).

4.3.3 CONCERN OF THE SHARED VALUES AND THE ESPOUSED VALUES OF ADM.

Another non-alignment was evident between espoused values on one hand, and practically shared values on the other hand at ADM. For example, employees at ADM were not living to the value of responsiveness. Although some employees worked excessive hours for ADM to be responsive, results show that this was unsustainable (employee fatigue etc.) and ineffective (e.g. delays in responding to faults) which then made workers not to value or prioritise the work. Furthermore, some members of senior management were actually not comfortable to talk about some values of ADM such as selflessness, integrity and accountability. For example, they commonly declined by saying “let’s not go there” which depicts a sign of being uncomfortable with the issue in a way highlighting a lack of transparency.

More importantly, there was a mismatch between the pattern of what was happening at ADM and the espoused values of this organisation as specified in the Integrated Development Plan. It was notable that none of the ten espoused values of ADM were evident in the interviews with senior managers in this study.

According to the Integrated Development Plan of ADM, there were ten espoused values at ADM, namely (1) selflessness which was about being decisive and objective in dealing with corruption and unscrupulous business activities;(2) pro-poor which was about having the poorest of the poor as the main focal point of ADM’s business and service delivery; (3) responsiveness which refers to continuous improvement in turnaround in delivery of service and dealing with all valuable customers; (4) transformative which is about considerable

strides to ensure that adequate capacity (skills and human capital) equates to the mandate and business of ADM; and (5) inclusivity which is about including all stakeholders of ADM in planning, implementation, monitoring and evaluation and reporting to ensure integrated effort towards service delivery.

Other values were (6) service delivery which restores dignity and respect; (7) good work ethics grounded in Batho Pele principles; (8) transparency; (9) integrity and (10) accountability. Two emergent values of “cooperation” and “employee care, recognition and support” were actually shaping the way things were done at ADM. However, these were not part of the official espoused values. They emerged from the realization by employees that water service provision required cooperation of various water specialists to get things done.

4.3 SUMMARY

Overall, this study reveals that implementation of centralised water provision strategy was characterized by multiple but complementary views upheld by members of senior management at ADM. There were different views made by members of senior management in relation to what the strategy and purpose of ADM was all about. In terms of staff, the centralized water service provision strategy at ADM was implemented because severe shortage of technically qualified and skilled people in a number of key functions, which compromised the quality of strategy execution.

Resignations, illnesses that sometimes result to the death of employees, poor employee retention and financial constraints were highlighted as causes of lack of essential number and technical employees at ADM. The values which were practically guiding how things were done at ADM were very different from the espoused values of ADM. However, some of the systems that were being used (e.g. in-touch, performance management system, supply chain system), processes and routines (e.g. a car scheme for field workers, strategic planning sessions, quarterly performance reviews and reporting) all contributed positively to strategy execution at ADM.

Furthermore, the chapter has also reflected on non-alignment of strategy with resources, non-alignment of structure with staff, and concerns of shared values with the espoused values. Findings reflect that there were deep and persistent vacancies not only at technical but also managerial levels in the structure of ADM. The next chapter discusses the findings of this study.

CHAPTER 5: DISCUSSIONS

5.1 INTRODUCTION

The aim of this chapter is to discuss key findings of this exploratory study in relation to the existing literature and ultimately provide answers to key issues of implementing a centralized water service provision in a municipality.

Firstly, the chapter begins by discussing key results regarding the different, but complementary views on the understanding of what strategy was being implemented by ADM. Secondly, the chapter focuses on key results reflecting how structure was well-thought out, but not completely filled with key technical and managerial employees which created problems in terms of the quality of water services provided by ADM.

Thirdly, the chapter discusses the lack of variety of resources (e.g. financial, human) at ADM which was at the centre of how strategy was not aligned to structure and also staff, thereby affecting strategic performance. Fourthly, the chapter dwells on the misalignment between espoused values and the values evident in what people at ADM were doing in their day-to-day work. Lastly, the chapter discusses the deep and recurrent misalignment between strategy and resources, structure, staff and strategy which ultimately affected strategic performance.

5.2 DIFFERENT BUT COMPLEMENTARY VIEWS ON STRATEGY

Essentially, the clarity and consistency of the message about strategy and purpose amongst leaders at different levels is vital to guide lower level employees on what is important to implement as part of strategic initiatives. The pattern of how senior managers at ADM understood what they were implementing reflect four different, but complementary views of centralised water service strategy, which emphasize (1) sustainable water service provision to all; (2) pro-poor biased water service delivery; (3) provision of water infrastructure facilities and (4) service restoration and capacity building of local municipality to provide water. This finding concurs with the notion by Li et al, (2008:11) that “whether a strategy itself is consistent and fitting or not is a key question for successful strategy implementation, but even a consistent strategy cannot be all things to all people”.

The understanding of strategy by senior managers at ADM shows that while the centralized water service strategy integrated a variety of key aspects, different members of senior management emphasized unique aspects that were probably more relevant to their specific functional roles rather than the organizational level strategy. In this regards, it is not clear how the influence and inter-relationship between functional departments impacted on the way senior managers understood the strategy they were implementing at ADM. Focusing on the interrelationships between functional and corporate strategy, Li et al., (2008) noted that there is a mutual influence between the two which seems a highly relevant area to improve our understanding of strategy implementation.

Nonetheless, it is notable that there was a moderate level of synergy between the understandings of strategy by senior manager in terms of “providing sustainable water services with a predominantly pro-poor focus which required infrastructure facilities” at ADM. The functional-oriented understanding of strategy leaves some room for improvements to ensure more cross-functional unity of efforts in support of organizational level strategy implementation.

While focusing on strategy and salience of direction, Mbaka & Mugambi (2014) underscore that “unless [strategy] is suitably formed to represent a direction or goal, there is nothing to implement; and organizational members will be unable to work towards its realization”. In a slightly different vein, some scholars talk of strategic consensus which refers to shared understanding among members of an organization about strategic priorities which is critical not only in promoting a unified direction, but also increasing strategic commitment (Bowman & Ambrosini, 1997).

5.3 DEEP AND ON-GOING SHORTAGES OF TECHNICAL AND MANAGERIAL STAFF

Without key people to make sound central and technical decisions, the centralisation which refers to the degree to which decision making and authority is concentrated at a single point as opposed to distributing to different levels becomes difficult to attain (Topno, 2012). Kaplan (2005) posited that structure refers to the manner in which tasks and people are divided and authority is distributed. There was a difference between the intended and the realized organisational structure at ADM to deliver centralized water service to all LMs. In

managerial terms, key positions of operations manager of local municipal to operate as business unit were not filled in almost half of the LMs in ADM.

There was also a period when the entire ADM did not have a single qualified electrical or mechanical manager to manage technical aspects of water provision. At the lower-technical levels, ADM implemented the centralized water service strategy without adequate M&E artisans, and process controllers. In a nutshell the realized organizational structure suffered from deep and on-going shortages key employees which then compromised the full execution of centralised water service strategy by ADM.

Furthermore, structure also refers to how reporting relationships are grouped in an organisation. ADM also created new positions to ensure general managers were dealing with day-to-day technical issues while the director was focusing on strategic tasks and issues of ADM. Thus, general managers were charged with the responsibility for accounting and reporting to the director. However, in practice many of the technical issues were still being dealt with by the WSP general manager primarily because satellite senior managers were not technically qualified nor specialists on water.

Consequently, the WSP general manager and the engineering director were burdened with the emergent and dual responsibility of dealing with both technical and strategic matters which was never intended. This is consistent with emergent strategies that evolve based on what organizations actually do as opposed to what they intended to do (Topno, 2012). Nonetheless, it reflects how the aspect of division of labour was dysfunctional in this structure but also the unintended effects arising from a mismatch of skills requirement and staff in some of the key position at ADM in the delivery of centralised water service provision model.

According Mazzolla & Kellermanns (2010), an appropriate strategy-structure alignment is an initial and compulsory signal to successful implementation of strategy in an organization. The finding of weak organisational structure with many key technical and managerial positions vacant reflects poor alignment between strategy-structure. Several empirical studies have underscored that organizational structure needs not only to change to support new strategy, but it should be given proper and detailed attention if strategy implementation is to succeed.

For example, an empirical study of factors affecting successful strategy implementation in the water sector in Kenya by Mbaka & Mugambi (2014) recommended that management should develop new organizational and management structures, which align to the strategy being called for, in order to enhance effectiveness of communication and coordination during the implementation process. Another study on factors affecting strategy implementation in a local municipality in the Mpumalanga province in South Africa by Nkosi (2015) concur that weak organizational structure was the second most noteworthy factor to impede successful strategy implementation in the municipality.

In terms of staff, the centralized water service provision strategy at ADM was implemented with a severe shortage of technically qualified and skilled people in a number of key functions which compromised on quality of strategy execution. Notably, the numerous and persistent vacant key positions within the organisation were a stumbling block to create complete teams. Resignations, poor employee retention and financial constraints were highlighted as causes of lack of requisite number and mix of technical employees at ADM.

5.4 RESOURCE CONSTRAINT AND ITS EFFECTS

It is conspicuous that lack of a number of resources (e.g. financial, human) at ADM was at the centre of explaining how strategy was not aligned to structure. ADM had numerous key positions still vacant, while staff numbers were below the requisite number and skill mix to effectively deliver water services to the seven LMs. The proposed staff numbers had been reduced due to financial constraints. As a result of few technically skilled staff, some of the services were outsourced at high costs, while some staff had to endure excessive overtime and fatigue with a potential risk to their personal health.

Furthermore, water related projects were also suspended while new yard connections, especially in rural areas, could not be made due to overstretched water infrastructure, which required financial resources to up-grade. Inevitably, ADM failed to achieve a blue drop status for any of its water treatment works. There were two main issues which caused financial challenges, namely (1) high expenditure on projects as infrastructure grant allocation was construed as enough to cover projects as per the projected time frames. Which then led to suspension of projects that were under construction to resume when funds were available; (2) re-allocation of the budget towards filling vacancies.

For example, in November 2014 the budget for all vacancies were re-allocated to other cost centres even though a number of vacancies at ADM were a result of resignations, retirement or death. However, it is not clear whether financial resources were re-allocated to activities that were relatively more important than filling key technical and managerial vacancies in the organisational structure at ADM.

Borrowing from Wernerfelt (1984) and Rumelt's (1984) resource-based view (RBV) approach, one could view finance and technically skilled employees as assets which should contribute towards organisational goal achievement. The resource-based view approach views the organisation's assets as a bundle of resources that should enable the organisation to conceive and implement strategies that leads to desirable strategic performance (Barney, 1991). The resource-based view, according to Barney (1991) was developed to understand how organisations achieve a sustainable competitive advantage with the resources at their disposal.

This underscores the importance of management's ability to exploit resources under its control for organisational success. The lack of fit between number and skills of employees and centralised water service provision strategy, teams, and work requirements could not create a better work environment to effectively implement the intended water service provision at ADM.

In this regard, the inner capabilities of ADM in developing strategy to accomplish both superior performance and sustainability in service delivery was weak. A study of factors affecting strategy implementation in municipalities in South Africa by Nkosi (2015) concluded that inadequate financial resources remain the most noteworthy impediment to successful strategy implementation; followed by weak organizational structure, fragile continuous professional development policies and resistance to change respectively.

5.5 MISMATCH BETWEEN ESPOUSED VALUES AND PRACTICED VALUES

Another interesting finding of this study is that none of the espoused values of ADM was highlighted or clearly demonstrated in the activities or actions reported in this study regarding what organisational members were doing to implement the centralised water service strategy. Espoused values contribute to the development of normal standards in organization

for how it conducts business now and in the future. Instead, the way the centralised water service provision strategy was implemented at ADM was characterized by two values which emerged as common and shared by most of the senior management. The two guiding values evident at ADM were employee care, recognition and support, and also cooperation. It is interesting that although these two shared values were key in shaping employee behaviours and the way things were done at ADM, they were not part of the espoused values of ADM.

The evident mismatch between what is officially espoused and documented as shared values of ADM and what was actually being manifested by employees in their day-to-day work life, reflect a need to better promote and demonstrate these values in daily interactions and communications. More importantly, it expresses a need to find out what is blocking the expressions and manifestation of these espoused values. It is surprising that none of the ten espoused values were mentioned by senior management. Mahommed (2015) reported on interviews with regional managers of government communication and information systems in South Africa, and discovered that shared values are hard to identify. There is therefore a need for ADM to ensure that appropriate action is taken to help employees to bring values not strongly reflected in the current culture into their working life. Although there was a general common sense of purpose in terms of the expectation to deliver quality services to communities this drive was not predominantly and necessarily driven by the espoused and shared value of ADM.

According to Kaplan (2005:41), shared values are very central in any organisation and represent “a set of fundamental values that are widely shared in an organisation”. In particular, shared values are a core that bind and align all the other S’s of the framework. The current state of values in ADM is therefore a challenges as it is capable of undermining sense of togetherness and vision. Using McKinsey framework, a study by Van Donselaar (2012:63) in the Nertherlands, which focused on the Red Cross, concluded that shared values had positive effect on strategy implementation.

5.6 DEEP AND PERSISTENT MISALIGNMENT BETWEEN RESOURCES, STRUCTURE, AND STAFF

Lastly, deep and persistent misalignment evident between structure, staff and resources at ADM was also one of the key findings in how ADM implemented the centralised water service strategy. Consequently, the lack of financial and human resources did not only compromise water service delivery, but also had negative effects on employee well-being (e.g. excessive overtime, difficulties to take leave). As if to illustrate the multiple effects of misalignment, the lack of human resources also worsened the financial situation through excessive overtime payments to internal staff and payment for outsourced technical services, which resulted in an increase of unpaid invoices of service providers. With the plan to pay them when funds are made available to ADM in the next financial year and that would be any time after June 2016.

In focusing the significance of alignment, Higgins (2005) asserted that the misalignment of one component alone is enough in itself to spin strategy execution out of control. At ADM, there were deep and many recurrent misalignments which affected the implementation of centralised water provision strategy.

5.7 SUMMARY

This chapter has discussed the key findings of the study and also illuminated them in the light of existing theory but also empirical studies on strategy implementation. The disparities, and gaps in the planned and realized organizational structure are highlighted. Furthermore, the impact of financial resources on structure, staff and strategic performance has also been discussed using the resource based view theory. The deep and recurrent misalignment made ADM to have very limited impact on quality of water service provided using the centralised water service provision model.

CHAPTER 6: CONCLUSION

6.1 CONCLUSION

Having presented and discussed the findings of this qualitative study, the aim of this chapter is to summarize the main findings and to conclude the study. In this respect, the chapter begins by summarizing the main findings. Thereafter, the chapter presents recommendations and areas for further research.

6.2 OVERVIEW OF THE STUDY AND SUMMARY OF FINDINGS

This qualitative study focused on describing the implementation of centralised water service provision at ADM. Using Higgins' (2005) 8 "S" model, the overall purpose of this exploratory qualitative study was to describe the implementation and also assess the extent of alignment in the way the centralised WSP of Amathole District Municipality was done.

Based on the views of senior managers at ADM expressed during the interviews, combined with data from documents, the study has found senior managers had different but complementary views of what strategy they were implementing at ADM. Furthermore, the centralized water service provision strategy at ADM was characterized by deep and persistent vacancies of key technical and managerial positions in the new structure.

Human and financial resources were also inadequate to match with the depth and variety of changes necessary to have the requisite number of staff and proper mix of skills to effectively deliver water services. The study also found that while ADM had ten espoused shared values, none of these were commonly and widely shared by employees in their day-to-day world of work. Instead, employee behavior at ADM was practically shaped by the emergent values of cooperation, employee recognition and care.

Strategy implementation at ADM was largely affected by the non-alignment between structure and staff, strategy and resources which created difficulties in how ADM was implementing its centralized water service provision. Due to a shortage of technically skilled people, ADM outsourced mechanical and electrical services. This was ultimately aggravated further by the financial challenges of ADM by draining more of the already limited financial resources.

6.3 CONCLUSIONS FROM THE STUDY

The study concludes that the centralized water service provision strategy at ADM was not implemented successfully as the organizational structure had numerous key positions that were vacant, and the requisite skill mix to deliver water services in a centralised way were not available. Furthermore, financial and human resources were not adequate to support strategy implementation, which also negatively impacted on other components of Higgins' (2005) 8 "S" model such as failure to meet the blue drop status of water quality. Espoused values of ADM were also not helpful in shaping the actual behaviour of employees.

In this regard, it is necessary for ADM to explore what has been blocking employees from expressing and demonstrating the espoused values in their day to day work life. This research is valuable to ADM as it provides insight on the areas where implementation of the centralised water provision model has not been effective, or failed to unfold as planned. To put it in other words, the use of Higgins' 8 "S" framework to evaluate the centralised model is valuable as it identifies and highlights gaps where there is non-alignment of the "S" s.

These are areas which ADM needs to address in order to enhance or improve strategic performance. It is important to highlight that, it was very helpful to use Higgins' 8 "S" framework on the WSP strategy implementation, reason being it has revealed the importance and seriousness of alignment for all the "S" in order to achieve the desired outcome.

6.4 RECOMMENDATIONS

The Higgins' 8 "S" model posits that organisations are successful when the three 'hard S's of strategy, structure and systems are integrated in harmony with the four 'Soft S's of skills, staff, style and shared values" (Kaplan, 2005:41). To improve the implementation of the centralised water services provision model, it is recommended that ADM pay attention to the aspects described below.

6.4.1 Resources

ADM needs to provide sufficient resources to meet the necessary organizational structural changes to implement a centralised water service provision model. This means that financial resources should be made available to fill the vacant positions of Operations managers,

Electrical and Mechanical Managers and Artisans to have sufficient number of employees. Financial resources for filling vacant positions should not be diverted to other cost centres.

6.4.2 Structure

ADM needs to fill the planned organisational structure properly at all functional, local municipal and district municipal levels. To enhance accountability, it is also important to ensure that there is a match between the requirements of every position and the people appointed.

6.4.3 Shared values

ADM needs to investigate why the espoused values are not commonly shared and expressed by employees in the current organisational culture. Furthermore, there is need to help and support employees to live the espoused values at ADM.

6.4.4 Staff

ADM needs to pay special attention to the shortage in number and skill mix if it is to provide quality water services to meet the national standards. In addition to current incentives, there is need for a staff development programme to attract, develop and retain people on key positions at technical and managerial levels.

6.4.5 Non- alignment

ADM need to stop re-allocation of financial resources meant for recruitment and staff to other activities as misalignment in one aspect affects other implementation issues such as staff, structure and systems. Financial discipline is key to enhance alignment of all aspects of Higgins (2005) 8 “S” in implementing the centralised water service strategy.

6.5 AREAS OF FUTURE STUDY

There are two areas suggested for further research to enhance our understanding of strategy implementation in water service provision but also the municipal context in South Africa. Future researchers need to explore the experiences of beneficiaries of water services strategy and whether the water services providers are indeed performing their duties up to the expectation of both ADM and the beneficiaries.

Unlike strategy formulation, strategy implementation cannot be achieved by top management alone. In this regard, strategy implementation requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization as well. Future research needs to take a more integrated approach by embracing views of people at different levels in the organisations but also external stakeholders to share their views on the various aspects of strategy implementation as set out in the Higgins 8 “S” model.

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