



Strategic Management and Strategic Planning of Zimbabwe National Water Authority (ZINWA)

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ABSTRACT

The study intended to assess the process of strategic planning and strategic management in Zimbabwe National Water Authority (ZINWA). Ten top and middle managers were purposively selected and these constituted the study sample. The research instruments included; structured and unstructured interview guide as well as document analysis guide and informal discussions. The study found that ZINWA has a well established strategic planning and strategic management process. However implementations of the plans are hindered by inadequate funds and non existence of a standalone monitoring and evaluation section at catchment level which is a critical aspect during implementation of strategies. Recommendations included: resource mobilization efforts to enhance implementation of good plans at hand; to establish a monitoring and evaluation and a research section at catchment level.

Keywords: Strategic Management, Strategic Planning and Zimbabwe National Water Authority (ZINWA).

1.0 INTRODUCTION

Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with the mission, vision and strategy throughout an organisation (Balanced Scorecard Institute, 2014). Others may view strategic management as the continuous planning, monitoring, analysis and assessment of all that is necessary for an organization to meet its goals and objectives.

The Joint Monitoring Programme Report (JMP, 2013) estimated Zimbabwe's access to safe water at 83%. However, water supply in Zimbabwe has been characterized by decreasing access to improved water sources in the 2000s and generally low quality provision. In Manicaland, residents of small towns and rural service centers are forced to fetch water from unprotected sources; some officials blamed it on old low capacity infrastructure, leakages and vandalism.

Therefore, the planning process at ZINWA is based on the Results Based Management system being implemented by the Government of Zimbabwe and it is also in line with the Zimbabwe National Water Policy 2013-2017. It seeks to communicate ZINWA's vision, mission, values, key result areas, goals, impacts, outcomes, strategies, major programmes and projects and direction to its employees, clients, stakeholders and partners.

1.1 Statement of the Problem

ZINWA in its strategic plan of 2013-2017, highlighted that in the past decade water supply and sanitation in many urban and rural areas in Zimbabwe have deteriorated and water dependent businesses have been adversely affected by shortages. Sewage systems experience large-scale blockages, water treatment plants are dysfunctional, lacked chemicals, and many distribution systems have fallen into disrepair. The failure of the electric power system to provide a regular and reliable supply of electricity has compounded the problem of operating the water supply and sewerage systems of urban areas and has contributed to collapse of the system.

The development of strategic plans 2010 and existing one 2013-2017 was a direct response to the ever changing environment, public demands and the desire to achieve its mission statement. Despite strategic plans in place, in its client and needs analysis, ZINWA established that it is failing to serve around 40% of its clients. Consequently, Bryson (2011) sited that although strategic planning can provide benefits, there is no guarantee that it will. This must be what is happening with ZINWA's strategic management and strategic planning process. This research was interested in assessing the strategic planning and management process at ZINWA on provision of water in Manicaland.

2.0 REVIEW OF RELATED LITERATURE

2.1 Strategic Management

Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce 11 and Robinson Jr, 2011). It is applied by leaders to align an organization's direction with the organization's aims. Managers and corporate executives have realized the contribution of strategic management to the success of their organizations. Strategic management is seen as instrumental to high performance; a kind of evolutionary and perhaps revolutionary step in its ever growing sophisticated business nature. For success, strategic management set priorities, focus energy and resources strengthen operations, ensure that employees and other stakeholders are working toward common goals (Balanced Scorecard Institute, 2014).

This entails communication coupled with good collaboration between members from the back-borne to a successful strategic management. Strategic management spells out an organization's objectives which form the basis of development of strategies and plans necessary to achieve these objectives as well as allocating resources which will

dictate the implementation of these plans. Strategic management is a continuous process of strategic analysis, strategy creation, implementation and monitoring, used by organizations with the purpose to achieve and maintain a competitive advantage (Jurevicius, 2013).

It is important to note that differences in public sector and private sector structures, settings and purposes may contribute to different yields of the same concept (Starling, 2008). To emphasize this point Nutt and Backoff (2004) elaborated that success of strategic management in private sector does not guarantee success in organizations with significant degrees of publicity. For instance Wechsler and Backoff (2001) outlined how development and implementation of strategies in public institutions is controlled by internal and external policy as well as establishment of organization purpose and character. All the same adoption of strategic management does not guarantee success as they are other factors contributing to the development of institutes (Bryson, 2011).

Strategic management has three basic stages which are strategy formulation, strategy implementation, and strategy evaluation (Pearce II and Robinson Jr, 2011). Strategy formulation involves establishing the organization's mission, including broad statements about its purpose, its philosophy and its goals. At formulation stage an analysis that reflects the organization's internal conditions and capabilities is also made as well as assessing the organization's external environment including both the competitive and general contextual factors. The organization's options are matched by its resources identifying the most desirable options as each option is evaluated in light of the organization's mission (Alkhafaji, 2003). Long term objectives and grand strategies that will achieve the most desirable options are selected. Implementing the strategic choice follows as budgeted resources allocations in match tasks, people, structures, technologies and reward system is emphasized. An evaluation of the success of the strategic process as input for future decision-making is done.

Mintzberg (2010) emphasized that it should be noted that strategic management cannot replace traditional management activities of budgeting, planning, monitoring, marketing, reporting as well as controlling. Instead they complement one another. Plans emanating from strategic management are used as blueprints for daily activities to maintain alignment with mission of the organization. Top management ought to instill commitment and collaboration to think and act exceptionally. This means continuous adjustment of organization structure and operating procedures if need arises.

2.2 Strategic planning

Strategic planning is constructed at the formulation stage of strategic management (David, 2009). Hence strategic planning becomes a tool to the broad concept of strategic management. The word "strategy" comes a long way from the Greek word *stratego*, a combination of *stratos* (the army) and *ego* (leader) which referred to "a role", for instance a General in command of an army. However, Stacy (2011) refers "strategos" to a general set of maneuvers carried out to overcome an enemy during combat. It therefore means planned exercise to achieve a desired point. Thus strategic planning began as the art of the General in war for deception of an enemy. Importantly, the art of the war for the general involves the psychological, behavioral and managerial attributes such as the ability to lead, persuade, exert power and administer an organization.

Bryson (2011) concluded that strategic planning has become an accepted practice-and indeed, when done well, it is an intelligent practice. The success of strategic planning in an organization is reliant on other factors such as strong managerial skills, particularly those of leadership and strong personal skills complemented by administrative skills. Hence the effects of the practice may differ from institute to institute.

Adair (2010) refers to the start of planning as the moment when one can identify an end or set of ends, and choose among the possible pathways the ones that make most sense. Strategic planning brings out an action plan based on clear end results and accurate assessment of current reality. Planning is therefore used to close the gap from where the organization is today, and where it wants to be tomorrow. Therefore strategic planning can be taken as a deliberate, disciplined effort to producing an essential decision and action that shape and guide what an organization is, what it does and why it is doing that. It is a process which defines organization directions and helps the decision maker in allocating resources such as capital and people to pursue its strategies.

Mintzberg (2010) suggested six critical factors that should be considered to understand strategic planning. First, he stated that strategy is a coherent, unifying and integrative pattern of decisions. This implies that strategy development is conscious, explicit, and proactive. Second, strategy is a means of establishing an organization purpose in terms of its long term objectives, action plans and allocation of resources. Third, strategy is a definition of an organization competitive realm: which indicate what business the organization really is in. Fourth, strategy is a response to internal strengths and weaknesses and to external opportunities and threats in order to develop a competitive advantage. Fifth, strategy becomes a logical system for differentiating executive and managerial task and roles at corporate, business, and functional levels so that structure follows functions. Sixth, strategy is a way of defining the economic and non-economic contribution the organization will make to its stakeholders.

2.3 Strategic Planning Process

The formal system of which strategic planning actually brings about results and change have to be considered (Joyce, 2000). The central challenge of a strategy is to make desirable goals, external support, and organizational capacity fit together. This study focused on the common top down strategic planning model. There is a broad consensus on the activities to be included in strategic management process. Factors like organization structure, leadership style experience of the institution determines the approach to follow.

Given aforementioned background, the Design School of thought according to Mintzberg, Lampel and Ahlstrand (1998), the design school is a concept, where Mintzberg suggested that, strategy should be formulated using tools and techniques such as SWOT analysis and Ashridge Mission model. An organization that follows this concept should carry out SWOT Analysis and discover their strengths, weakness, opportunities and threats, and then they formulate strategies. The analysis of the internal and external factors is done by the SWOT analysis and hence based on that strategy should be made. This strategy is influenced by architecture in other words, the foundation through which strategy should be

formulated according to this concept are SWOT analysis and Ashridge Mission Model. Therefore, Stacey (2011) suggested a top down approach with the following sequence; initial assessment, situation analysis, strategy formulation, strategy implementation and strategy monitoring. In this approach a strategy is a deliberate process of conscious thought where responsibility rests with top management.

2.3.1 Initial Assessment

The process is marked by initial assessment where management must clearly identify the organization's mission and objectives. An institute's mission statement is an enduring statement of purpose that distinguishes one organization from other similar enterprises (Thompson, Jr and Strickland III, 2001). The mission includes, inter alia, the basic thrust of the organization. It is known as a declaration of an organizations reason for being (Goldstein et al, 2014).

A mission statement conveys a sense of purpose to staff members and portray an organization's image to stakeholders. It has to reveal long-term vision, values and purpose and forward looking visionary goals that guide the pursuit of future opportunities. A realistic mission statement should take into account the capabilities of the organization as well as threats and opportunities in the external environment (Smit et al, 2007).

Objectives are considered to be concrete goals that the organization seeks to reach. The strategic objectives need to be challenging and achievable. It must also be measurable so that an institute can observe its progress and make necessary adjustment.

2.3.2 Situation/Environment Analysis

The ever changing environment calls for continuous exploration of factors within (internal) and outside (external) organizations that may put threats or provide opportunities. McCarthy et al (2000) elucidate that effective strategy will build on strengths and take advantage of opportunities, while it overcomes or minimizes weaknesses and threats. Environment analysis can divulge the state of an organization at the moment and how the organization may develop in the future. Good strategies can be crafted to reach set objectives.

2.3.3 Strategic Formulation

A successful environment scanning necessitates creation of long term objectives which then form the basis of choice of strategies to be adopted. Pearce II and Robinson, Jr (2011) defined strategic formulation as a process by which an organization develops a strategy to achieve its objectives. A strategy being the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (Riley, 2012). Specific strategic alternatives are developed once a clear picture of the firm and its environment is in hand.

It is therefore, important to keep in mind that environment assessment usually provides insight into how best the organization can fit into its environment for survival. The essence of strategic formulation is an assessment of whether an organization is doing the right things and how it can be more effective in what it does (Ireland et al, 2009). This process leads to development of a business mission, and the establishment of long – term objectives. Long objectives are those that can enhance an organization's competitive advantage in future.

Choice of strategies depends on objectives, results of situation analysis and level of strategy selection. At this stage organization can decide what new business to enter or abandon how to allocate resources and whether to merge or form a joint venture. It justifies a re-direction of resources from area of low or diminishing returns toward area of higher or increasing returns.

2.3.4 Strategic Implementation

Even the best strategic plans must be implemented and only well executed strategies create competitive advantage for a company (World Bank, 2014). The pay off of strategic planning is entirely in its application, in the execution and mostly in the implementation of the strategic plan. Managerial skills like administering and organizing become necessary daily activities, setting up of policy and monitoring how well this policy is functioning (Goldstein et al, 2014). Effective implementation occurs when the strategic plan has been translated into more detailed policies that can be easily understood at the functional level of the organization. The implementation phase should involve identifying the required resources and putting into place the necessary organizational changes. There is also needs to capture the commitment of the people who must execute it through proper communication.

A checklist may be necessary to review progress. New Orleans (2010) suggested an alignment check list, an ideal technique in ensuring successful implementation of strategies by matching elements. Human skills support, attitudes need to be checked; issues of incentives, structure of the organization, supportive activities and culture of the organization must match to achieve desired goals.

2.3.5 Monitoring and Evaluation

Each organization requires continuous internal and external factors review as well as measurement of performance against set standards. Successful implementation must be measured as the environment is always changing. Corrective actions need be applied as soon as possible. Pearce and Robinson (2000) emphasized that the focus of monitoring and evaluation is to enhance effectiveness of public institutions by establishing a clear link between past, present and future interventions and results. Monitoring brings out relevant information that will be used as a basis for programmatic fine tuning, reorientation and proper planning (The Global Fund to fight AIDS, TB and malaria, 2014).

It enables organizations to judge if they are getting where they wanted to go (set standards), whether they can claim progress or success or how to improve on current efforts. It is therefore a continuous function aimed primarily at informing the management and stakeholders of an ongoing intervention with early indications of progress, or lack thereof, in achievement of result. This is not a one-time event, but quite an exercise that involves assessments of differing scope and depth carried out at several point in time in response to evolving needs for evaluative knowledge and learning during the effort to achieve an outcome. Hence it becomes arguably the most important responsibility of the strategic

management to monitor the progress of the planned activities of the organization towards the intended outcomes. It is based on adequate planning and serves as the basis for evaluation.

The role of the strategic management in monitoring and evaluation process is to ensure that the work has been carried out effectively as planned. The management usually make decisions based on the feedback it received from the indicators to improve performance. The feedback provides information and knowledge, which the management can use to assess the overall progress towards results or confirm the achievement of results. This feedback may consist of findings, conclusions, recommendations and lessons from experience. Strategic Planning will never succeed if the monitoring and evaluation tools are weak. Some tools that can be used include strategy evaluation framework, balanced scorecard and benchmarking.

3.0 RESEARCH METHODOLOGY

3.1 Research design

Information in this research was gathered by means of empirical study. Qualitative research was adopted and expected to offer an opportunity to probe deeper into issues of interest and explore nuances related to the problem at hand (Mora, 2010).

Common data collection methods used in qualitative research are focus groups, in-depth interviews, uninterrupted observation, bulletin boards, and ethnographic participation/observation, content analysis, evaluation and semiotics are among the many approaches that are used. Detailed data was gathered through open ended questions that provide direct quotations. The interviewer is an integral part of the investigation.

3.2 Population and sample

In this research total population refers to ZINWA Save Catchment Area Mutare Provincial Office senior and middle management. A sample is a smaller group of members of a population selected to represent the population. For objective representation a sample ought to be selected randomly and each individual have same probability (an equal chance) of being selected.

This research appropriately used a non probability selection of sample called purposive sampling for top and middle management. For instance this research concentrated on the top and middle management at ZINWA Mutare Provincial Office. There are two posts at top management, eight people in middle management, making a total sample of ten.

3.3 Sampling procedure

A non probability sampling method was adopted basing on purposive sampling. The sample consisted of ten members from middle and top management who form the major component of strategic planning in any organization. Here the researcher looked for individuals who had particular expertise that was most likely be able to advance the researcher's interests and potentially open new doors (Palys, 2014).

3.4 Methods of data presentation and analysis

A qualitative data analysis was used to analyze data in this research. The Pell Institute (2014) explains qualitative data analysis as involving the identification, examination, and interpretation of patterns and themes in textual data and determines how these patterns and themes help answer the research questions at hand. Qualitative analysis focuses on interrelated aspects of the setting or case rather than breaking the whole into separate parts. Data coding was also used as information from individuals were grouped and coded to facilitate processing.

4.0 DATA ANALYSIS AND INTERPRETATION

All the respondents indicated that they knew the concept of strategic planning and its importance to their organization. One equated not having strategic planning as "flying blind", others summarized it as the tool for directing the organization, operations guides and prioritization of activities. They concur with the Balance Scorecard Institute (2014) which described strategic management as a tool used to set priorities, focus energy and resources. It was considered necessary in an unvibrant economy like Zimbabwe where new strategies are needed each time and again. In agreement with Alkhafaji (2003) strategic planning and management has been described also as necessary to plan for scarce resources.

The respondents would explain the planning process starts with staff meetings, section heads compile unit plans. The catchment plans are submitted to head office which will produce ZINWA's strategic plans. ZINWA's process therefore is therefore compatible with World Bank (2014) which advocates to buy- in staff commitment for well execution of strategies in the belief that the pay off of strategic planning is entirely in its application.

Eighty percent of the group could correctly tell the current mission statement despite the reception area still hanging the old mission statement. The mission statement as given by Goldstein et al (2014) spells to the organization its reason for being. Hence ZINWA exist "to develop, manage and consistently supply water of appropriate quality and quantities to the nation in a sustainable and equitable manner." However twenty percent of the respondents referred to the old mission statement indicating that they haven't yet seen the 2013-2018 strategic plan documents.

All the respondents knew that the organization has a strategic plan document clearly encompassing critical issues like action plans, progress indicators, time tables and implementation agents. It came out that it is the responsibility of the Catchment Manager to distribute the final strategic plan document to sectional heads who have to cascade the contents to other staff members in their respective sections. As important as this document is, 20% of the respondents had not yet accessed it; this might imply their subordinates too.

For environment scanning, ZINWA uses mainly SWOT and PESTLE analysis which are common methods to the group. The group identified the monopolistic nature of ZINWA over Zimbabwe water bodies as one of the strengths of the organization. They also viewed the "ever expanding market due to population growth and the growth of agriculture" as window of opportunity. The respondents were in accord with McCarthy et al (2000) who suggested that effective

strategy will build on strengths and take advantage of opportunities while overcoming weaknesses and threats. It is also exciting to note there is the inclusion of governance issues in ZINWA's strategic planning. However the failure of the institute to generate adequate revenue for operations has been referred as a weakness and government directives were indicated as a major threat to the system.

The group is aware of its competitors who came out mainly as local authorities, private borehole drillers, Non Governmental Organizations (NGOs). They compete on products and at times take away experienced staff from ZINWA as they offer better remuneration packages. Non Governmental Organizations drill boreholes for free in areas where ZINWA would be eying for paid services.

All respondents could easily spell out the objectives of their departments. This indicates that objectives were clear and staff members were acquainted with what they want to achieve as they implement set objectives. When staffs are clear on objectives, it can create some motivation to implement the objectives which they know or see worthy. Achievement of set objectives over the long-term through configuring resources within a challenging environment give the organization some credit as it fulfill stakeholder expectations (Riley, 2012).

It came out that there is no a stand- alone Monitoring department at catchment level. The group described monitoring of each section activities as done by section heads and section supervisors who reports to the Catchment Manager. ZINWA fall out within the ideas of Pearce and Robinson (2000) who regards monitoring and evaluation as a critical department in the process of strategic implementation process which spear heads the completion on time of objectives. Monitoring and evaluation of the operations is executed using result based management (RBM). Performance is compared with set targets and adjustments are made within the system of RBM. A monitoring and evaluation section can help to design proper implementation frameworks which are not clear within the system at ZINWA.

Although the group appreciated the existence of strategic plans, they opined the plans are silent on the strategies of raising more financial resources. One of the managers emphasized that ‘...no funds no implementation.’ However like any other government agency, Wechsler and Backoff, (2001) emphasized that strategic management of such institutions involves development of implementing strategies for internal and external policy as well as establishment of organization purpose and character. Being a monopoly over water bodies, ZINWA could be raising money through high pricing, however its reason for existence goes against such action.

Around 60% also felt that the whole planning process could be made better by increasing time for contributions from lower levels. One of the managers expressed fear that the organization ‘might be missing brilliant ideas from lower level staff,’ who are usually given short time to contribute. On the other end, around 40% of the group considered the process as fair.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

ZINWA has a well established strategic planning and strategic management process. The immediate tangible results of the process are the hanged mission statement and a strategic plan document in place. However implementation of the plans is hindered by inadequate funds. Another hindering factor could be non existence of a stand- alone monitoring and evaluation section at catchment level which is a critical aspect during implementation of strategies.

5.2 Recommendations

- ZINWA should put more effort in raising financial resources to enhance implementation of good plans at hand.
- It is also encouraged to establish a monitoring and evaluation section at catchment level which is critical in the process of strategic management.

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