

**THE IMPORTANCE OF STRATEGIC PLANNING AS A  
COMPONENT OF STRATEGIC MANAGEMENT – A  
COMPARATIVE ANALYSIS BETWEEN SELECTED PUBLIC  
INSTITUTIONS**

**A THESIS SUBMITTED IN PARTIAL FULLFILLMENT OF THE  
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**BY**

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## **DECLARATION**

I, Lucia Nekulu Magano Mwadhina lipumbu, declare that this project is my own original work, and that all sources have been accurately reported and acknowledged, and that this projects has not been previously in its entirety, or in part been submitted at any academic institution in order to obtain an academic qualification.

# **DEDICATION**

**This study is dedicated to:**

**MY DEAREST LATE UNCLE TITUS KANYIKA KUWA LYA  
NIIDHILA IIPUMBU, FOR BEING THE BEST TO UNDERSTAND  
THE PLIGHT OF BEING A STUDENT AND A CAREER WOMAN  
AT THE SAME TIME, AS WELL AS ALL CURRENT AND  
ASPIRANT STRATEGIC PLANNERS**

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## ACRONYMS

CEO	- Chief Executive Officer
COD	- Congress of Democrats
DIS	- Document Imaging System
ECB	- Electricity Control Board
EMCON	- Electrical and Mechanical Consulting Engineers of Namibia
GIPF	- Government Institutions Pension Fund
HR	- Human Resources
IT	- Information Technology
LEDs	- Local Economic Development Strategy
MRLGHRD	- Ministry of Regional and Local Government, Housing and Rural Development
MME	- Ministry of Mines and Energy
NAMFISA	- Namibia Financial Institutions Supervisory Authority
NAMPOWER	- Namibian Power Utility
NE	- Northern Electricity Company
NDP1	- National Development Plan 1
NDP2	- National Development Plan 2
NORED	- Northern Electricity Distribution Company
OPM	- Office of the Prime Minister
PSC	- Public Service Commission
SACU	- Southern African Custom Union
SADC	- Southern African Development Community
SANLAM	- Suid Afrikaanse Nasionale Lewens Assuransie Maatskappy
SWANU	- South West African National Union
SWAPO	- South West African People Organization
SWOT	- Strength, Weakness, Opportunities, Threats, Analysis
UNAM	- University of Namibia

## **ABSTRACT**

This analysis look at strategic planning as a component of strategic management, it therefore compares and contrasts the activities of strategic planning in some of the public institutions. The analysis starts on plan formulation and proceeds with the implementation of such plans in organizations such as Northern Electricity Distribution Company (NORED), Government Institutions Pension Fund (GIPF), the Municipal Council of Windhoek – Electricity Department and Rundu Town Council.

In its first phase the research dwells on the aspects and components of strategic planning in general. This part, therefore outlines the entire process of strategic planning without necessarily concentrating on any of its components. It then provided the framework for determining whether strategic planning is being practiced accordingly in the given institutions.

A comparative approach is used in the research. First and foremost the institutions selected as centers of analysis were grouped in corporate and local authorities categories. Thereafter a comparative analysis is done on institution's individual capacity with specific reference to strategy formulation and implementation.

The analysis indicates that strategy formulation is a participatory exercise that is spearheaded by top management in consultation with middle management and inputs from the general workforce. However, it was noted with concern that sometimes there happens to be a communication breakdown between several actors in the strategy formulation process.

It is also worth mentioning that some organizations feel that it is not of great benefit to leave all the activities of strategy formulation into the hands of the experts and consultants as they might not be familiar with the operational environment of the organization and other factors that play a role on this specific process.

Strategy implementation is another aspect of the strategic planning process. However, if the implementation is not done accordingly or timely it may affect the entire mission of strategic planning. The research reveals that if actors in the implementation process are not coordinated properly they may cause confusion and delay in the process that will result in undesired outcomes.

From the responses and information gathered through documentary research and interviews, it is clear that strategic planning in Namibian in most cases is done in accordance with general procedures and mechanisms. However the question remains, Is this process participatory enough as there are some instances where employees fail to identify the main strategic plans of their specific organizations. It is also noted that at some instances management fail to provide feedback to all actors in the process and to communicate the outcome of the process to those it is targeted to and all other stakeholders.

What is therefore recommended is that all organizations draw guidelines documents that will direct the strategic planning process in their respective organization in order to make it easy for the planners and to ensure consistency and proper communication in the entire process. It is also suggested that the current implementation modalities be reviewed to ensure that all stakeholders are in par with all the actors as well as to keep within the framework of the social, political and economic conditions.





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## **Chapter 1**

### **INTRODUCTION TO THE STUDY**

#### **1.1 Introduction**

After independence, the Namibian government developed mechanisms that would enable it to deliver services to the people. Amongst others, public institutions were established. Such institutions were tasked to deliver specified services to individuals and specified groups in the community.

In order for these institutions to succeed and attain their objectives they have to focus on the future. Focusing on the future involves setting goals and objectives as well as proper planning. Strategic planning can be identified as one aspect of focusing on the future. Strategic planning is a crucial element of strategic management. Strategic management encourages participatory decision-making and decentralization of resources. That is why it is important to analyze aspects of strategic planning in detail.

#### **1.2 The Research Topic:**

The topic of this study is “The Importance of Strategic Planning as a Component of Strategic Management – A Comparative Analysis Between Selected Public Institutions”. This topic was chosen because the researcher intent to compare the general process of strategic planning with the process of strategic planning practiced amongst the selected Namibian institutions. Furthermore the research intends to uncover what has not been documented about the entire process of strategic planning among selected public institutions. Strategic planning is one crucial aspect of strategic management. Its proper

coordination and thorough implementation contributes positively to success and enhancement in service delivery. In the long run, it will provide an enabling environment for attainment of objectives as well as long and short term organizational goals. The concept and practice of strategic planning is gaining popularity especially in the developing countries that want to bring their institutional performance level in term of development on par with the acceptable standards at an international level. (Smith, 1994:12)

**Strategic planning** can be defined as a formal, continuous process of making organizational decisions based on internal and external assessments. It involves the organization of people and tasks to execute decisions and to measure achievement and performance. (Kaufman, 1991:10) In short, define strategic planning as an interactive, unending process comprising of mission, vision, situational analysis, long range objectives, strategies as well as measurement of outputs and outcomes. (Journal of Humanistic Education, 1998:78).

Namibia, as a newly independent country in southern Africa is not an exception in effecting strategic planning both in public and private institutions. At government level, the key strategic plans are the National Development Plans (NDP1,2) and Vision 2030. These documents outlines government intentions, plans and developmental programmes for the next five years and thirty years respectively. They also provide the procedures and activities to be performed in achieving government's goals and objectives.

In order to determine and analyze the effective practice of strategic planning in Namibia, a comparative analysis was carried out. Such analysis compared and contrasted the processes of strategic planning in chosen organizations.

At Local Authority Level the study will focus on the Municipal Council of Windhoek – Electricity Department and the Rundu Town Council. The Government Institutions Pension Fund (GIPF) and the Northern Electricity Distribution Company (NORED) will be to be centers of analysis at corporate level.

The above mentioned were selected on the basis of being the most familiar institutions to the researcher. The researcher during her undergraduate studies did her internship at the Ministry of Regional and Local Government, Housing and Rural Development and specifically in the division of Local Authorities Supervision. The researcher is currently employed by GIPF and aspiring to work for NORED one day. The two are corporate institutions that happen to be the ones the researcher is familiar with in terms of management and operations.

The Municipal Council of Windhoek and the Rundu Town Council are public institutions that were established and are functioning under the Local Authority Act, (Act no 32 of 1992), as amended. These institutions are entrusted with the running of the affairs of their respective local communities under the guidance of the Ministry of Regional and Local Government, Housing and Rural Development. Their primary goal is to provide better and affordable services to the residents of their respective municipal areas.

GIPF is one of the biggest pension funds in Namibia responsible for administering pension benefits for members and their dependants. Around 90% of its membership has been drawn from the civil service, parastatals, some local authorities and regional councils. The fund took over from SANLAM (Suid Afrikaanse Nasionale Lewens Assurans Maatskappy) a South African based company and has been in existence for a number of years. The company draws its power from the Pension Fund Act, (Act No: 24 of 1956). Its operations are also guided by the approved rules and procedures of the fund. Such rules and procedures are prepared and written by the fund management in consultation with Namibia Financial Institutions Supervisory Authority (NAMFISA) and Government representatives.

NORED is responsible for electricity distribution in the northern part of the country. The Company took over from the old Northern Electricity Company whose services came to an end after the termination of its contract. The service provision in terms of assets is backed by the government through the Ministry of Mines and Energy. The Company was established in 2000 and came into operation during 2002. The shareholders in the ownership of the company comprise of NAMPOWER, the Regional Councils Electricity Company (PTY) LTD and the Local Authorities Electricity Company (PTY) LTD operating in the towns of Ongwediva, Ondangwa, Eenhana, Katima Mulilo, Rundu, Opuwo and Outapi. The analysis will concentrate on the strategic planning processes and procedures and not the general activities and services they provide.

The study will analyze specific aspects of strategic planning in all of the abovementioned institutions. In this regard strategic plan formulation and implementation forms part of the strategic planning process.

### **1.3 Statement of the Problem**

Recently, there have been reports of ineffectiveness in some local authorities and corporate institutions. Such ineffectiveness was reported in national private printing and electronic media over the past ten years. Some of these shortcomings could have resulted from improper planning. Hence, there is a need to analyze the operations of successful institutions in relation/comparison to the new and upcoming ones in order to determine shortcomings and challenges in developing and implementing both long and short term plans that lead to the attainment of goals and objectives of such institutions. It is also necessary to analyze and determine the importance of institutions to plan strategically and at the same time to determine why is it important for them to implement such plans.

### **1.4 Goals and Objectives**

The following were identified as goals and objectives of the study:

- Analyze strategic planning processes in the selected organizations
  - when is it done?
  - by whom?
  - how is it done?
  - all aspects pertaining to effecting the process i.e. resources and the environment?

- To determine if activities of the plans are followed, adhered to and implemented accordingly, as well as challenges and problems encountered in such processes.(analyze activities in relation to set out schedules and deadlines)
- To analyze the involvement of junior staff in the development of strategic plans (also determining their level of participation).
- To determine if strategic planning helps meeting organizational goals and objectives (if goals are achieved at the end of the process.)

## **1.5 Methodology**

The study was carried out by visiting the head offices of the identified institutions in Windhoek, Rundu and Oshakati/Ondangwa respectively. These are in Khomas, Kavango and Oshana Regions where head offices of such organizations are located. In two cases satellite and regional offices were visited for example NORED – Opuwo office and the electricity department for the Municipal Council of Windhoek in Suiderhof.

Letters were dispatched through the Public Relation officers of the concerned institutions notifying them requesting permission to interview their workers. In the same letters the purposes of the study were spelled out and the planned mechanisms of data gathering were outlined.

The sampling method identified and selected was purposeful (criterion). The identified sample consisted of Chief Executive Officers (Managing Director), four other officers (at



management level) as well as five general officers in the specific planning divisions or related field in all aforementioned institutions.

These questionnaires administered consisted of both structured and semi structured questions. Some responses were filled on questionnaires whereas others were recorded in a tapes recorder and were analyzed at a later stage. The procedure of obtaining information was by means of structured as well as semi structured.

The interview process was scheduled to take place after the research proposal was approved. Documents related to strategic management in general and strategic planning in particular were consulted to determine that the practices as per findings were on par with the general procedures of strategic planning.

The main aim of the study is to critically analyze of strategic planning with specific reference to strategy formulation and implementation in selected public institutions. In order to undertake this task the GIPF, NORED, the Rundu Town Council and the Municipal Council of Windhoek – Electricity Department were selected as units of analysis. The overviews and backgrounds of such institutions are outlined in chapter 3.

Interviews were carried out with heads of all of these institutions respectively and were recorded on a tape recorder. Those who were interviewed were Mr Toivo Shovaleka, Acting Managing Director of NORED on the 30<sup>th</sup> August 2004 at NORED office in Opuwo. The second interview was held at GIPF House in Windhoek with the Chief

Executive Officer, Mr Primus Hango on the 30<sup>th</sup> of September 2004. The third interview took place on the 11<sup>th</sup> November 2004 at the Rundu Town Council offices with Mr Lucas Muhepa, Chief Executive Officer of the Rundu Town Council. While the fourth and final interview took place at the premises of the Electricity Department of the Municipal Council of Windhoek in Suiderhof, with Mr Friedrich Diener, Strategic Executive for Electricity. The interview was held on 15 November 2004. Some discussions were also carried out with general employees of some of these institutions.

Besides the abovementioned, ten questionnaires per organization were distributed. This means, of the ten questionnaires given, five were to be filled by management and the other five by the general employees.

Another unit of analysis was that of documentary research which started with analyzing documents that outline the historical backgrounds as well as operational structures of the selected institutions. This provided the framework for determining the kind of institution in order to understand the type of plans that will be suitable for its operational environments. The documents used during this exercise were the organization's strategic plan. Whenever it was deemed necessary, governing rules and procedural documents were also used. Such documents include the Namibian Constitution, the Acts of Parliament as well as other relevant documents.

This was done to assist in understanding the origins and operational framework of these organizations in comparison to one another. This further gave an indication of the

differences in all aspects in all of the abovementioned institutions even those that were selected based on the kind of services they render to their specific communities and target groups. For instance, GIPF and NORED have a number of differences in both their operational frameworks as well as in the entire process of strategy formulation and implementation. Likewise, The Municipal Council of Windhoek and the Town of Rundu both belong to the local authorities categories but were found to have a certain number of differences in the both operational structures and their strategic planning processes.

## **Chapter 2**

### **An Overview of Strategic Planning: Available Literature**

#### **2.1 Introduction**

This chapter presents a general overview of strategic planning. For one to define **strategic planning**, one needs to understand the two key concepts contained in it. These are **strategy** and **planning**. By understanding them one will be able to focus on strategic planning as a unit of analysis.

#### **2.2 Analysis of the Concepts**

##### **2.2.1 Planning**

**Planning** is a process of establishing objectives and choosing the most suitable means for achieving these objectives prior to taking action (Goodstein, Nolan & Pfeiffer, 1993:3). According to Smith (1994: 45), planning implies a forecasting of the situation in terms of the achievement of organizational goals and objectives, and deciding on the most effective use of the resources available. Both aforementioned definitions indicate that planning denotes preparing the future and organizing the way to get there.

Planning itself can be subcategorized into three levels, for example micro planning (individual or a small group's performance), macro planning (the organization itself) and mega planning (external, outside, clients and society) (Kaufman, 1991:5). It is significant to know that mega planning identifies where to go rationally and ethically, macro planning aligns organizational purposes with societal consequences while micro planning provides the basis for detailing the best way to get there (Kaufman, 1991:6).

### **2.2.2 Strategy**

Obeng(1996:140) defines strategy as the conscious manipulation of the future that is about simultaneous prediction and feedback. According to Bryson (1988:163) strategy can be referred to as a pattern of purposes, policies, programs, actions, decisions or resources allocation that define what an organization is, what it does and why it does it. He further states that a strategy is an extension of an organizational mission to form a bridge between an organization (or a community) and its environment. Strategies can also be defined as means by which long term objectives will be achieved. Strategies have multifunctional or multidivisional consequences and require consideration of both external and internal factors facing organizations (David, 2003:11).

Hence, strategies are typically developed to deal with issues. That means they outline the organization's response to fundamental policy choices. If the goal approach (goal oriented planning) to strategic issues is taken, strategies will be developed to achieve the goals or if the vision of success approach is taken, strategies will be developed to achieve the vision (Obeng, 1996:145).

A strategy can also be viewed as a pattern of decisions in an organization that determines and reveals organizational policies and action sequences into a cohesive whole. It also helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents (Mintzberg, Quinn, Ghoshal, 1999:5).

With the clear understanding of these two concepts namely strategy and planning, one can then proceed with an analysis of strategic planning as one unit. Before doing that it is important to note that strategic planning is a component of strategic management as reflected in the research topic. It is therefore important to first understand strategic management.

### **2.2.3 Strategic Management**

David (2003:5) defines strategic management as the art and science of formulating, implementing, and evaluating cross-functional decisions to enable an organization to achieve its objectives. Strategic management is concerned with strengthening the viability and effectiveness of public and private sector organizations in terms of policy and management. Strategic management consists of two components: firstly, the ideas and values espoused by in management with regard to goal achievement, secondly, the methodology or approach which will be adopted in order to achieve the goal. Such approaches include strategic planning (Van der Walt, & Hermorg 1995:107).

Management comprises of managerial units. These units are key players in the entire process of strategic planning and need to serve as a necessary and valued activity to set expectations at a higher level. Leaders therefore have to facilitate communication with their subordinates and the community at large because plans will only succeed if those involved in the process contribute in a meaningful way (Van der Walt, & Hermorg 1995:109). Strategic management therefore creates meaningful and advanced changes in

the institutions and organizations. It further serves as a definition of reality and the courage to do what needs to be done.

#### **2.2.4 Strategic Planning**

**Strategic Planning** is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. At its best, strategic planning requires broadscale information gathering and an exploration of present decisions. It can facilitate communication and participation, accommodate divergent values and foster orderly decision-making and successful implementation (Bryson, 1988:5).

Goodstein, Nolan & Pfeiffer (1991:27) define Strategic Planning as the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future. They further state that such vision of the future state of the organization provides both a direction in which the organization should move and the energy to begin that move.

According to Heath (1988:46), strategic planning can be referred to as an ongoing management process that is performed by top management with the support of all relevant stakeholders in an organization. It is always future oriented. In addition, it aims at integrating all management functions and focuses more on opportunities and threats.

In addition to the definitions outlined above Katsioloudes (2002:6) defines strategic planning as the process by which a system maintains its competitiveness within its work environment by determining where the organization is standing during the time under review, where it wants to go and how it wishes to get there. In analyzing the above

definitions, it is clear that they all focus on outlining the path for the future or forecasting the organizational intentions and steps and procedures to be followed in getting there.

It is also significant to note that the planning process involves identifying matches and mismatches of activities. These involve integrating visions, beliefs, values, needs and current mission steps in the data collecting process. Kaufman (1991:65) argues that the process also involves identifying things in common as well as identifying differences to be able to select a preferred future. Mshingeni, Du Pisani & Kiangi (1995: 6) state that in order to successfully overcome the imbalances of the past and to foster socio-economic development in Namibia, both long and short term planning at national level should be done in a context of national need. Hence, it will be of necessity to determine and assess if the identified organization takes into consideration national needs and societal priorities in its planning process and furthermore to determine if environmental scanning and feasibility studies are carried out beforehand.

### **2.3 The Process of Strategic Planning**

By the time someone discovers that there is a need for change that is already an indication that something need to be done. That on its own is a manifestation of a need for strategic planning. Because any thought about a need for change or improvement form part of a strategy. Strategic planning sometimes reflected in an initial data collection stage. Identifying beliefs, values and wishes of a given institution also forms part of strategic planning (Kaufman 1991:23).



The planning process is a culmination of a number of phases and activities to be completed in identifying with a given objective. According to Kaufman (1991:66) the entire process of strategic planning consists of the following steps:

- Scoping – selecting the type of planning from among three alternatives or type of planning spelled above;
- Identifying beliefs, norms and values;
- Identifying visions;
- Identifying missions;
- Identifying needs;
- Identifying matches, mismatches, integrate visions beliefs, values, needs and missions;
- Identifying strengths, weaknesses, opportunities and threats;
- Deriving decision rules;
- Developing strategic action plans;
- Putting strategic plan to work (implementation).

All of the stages mentioned above summarize the whole process of strategic planning encompassing strategy formulation, implementation as well as evaluation and control. In order to be able to implement the tools of reactive and proactive planning first and foremost ability to think strategically is required.

Strategic thinking is characterized by a switch from seeing the organization as small groups of disassociated parts joined in competing for resources, to seeing and dealing

with the corporation as a historic system that integrates each part in relationship to the whole (Kaufman, 1991:69). Strategic thinking is based on mutually agreed upon rewarding visions and payoffs. This simply means if ones ideas are good the plans that will be developed will be good also and the entire process will produce good results. It is a shift from linear lockstep, means/process oriented tactics to future mutually rewarding ends. Strategic thinking relates organizational means and products to socially useful ends. It is therefore both practical and ethical in nature (Kaufman, 1991:69).

Strategy formulation is at the foundation of the organization's evaluation of their strengths, weaknesses, opportunities and threats (SWOT analysis). This is because what organizations aims for, is to develop strategies designed to maximize strengths, minimize weaknesses, capitalize upon opportunities and deal proactively with threats.

The implementation stage, however, entails sharing understanding and common commitment to the strategy. The core activities at this stage involve a refinement of the strategies into programs, budgets and procedures (Katsioloudes, 2002:21).

The final phase then includes strategy, evaluation and control, where the results and progress are monitored. This is where the amendments and corrections mechanisms can be implemented in order to determine and shape the future of the organization (Katsioloudes, 2002:21). The core component of this assessment is strategy formulation and implementation.

### **2.3.1 Strategy Formulation**

#### **2.3.1.1 SWOT Analysis and Environmental Scanning**

As it is highlighted in the general strategic planning process, the SWOT Analysis precedes all activities of the strategy formulation. At some point, strategists must make an attempt to identify as many relevant opportunities as is feasible. Opportunities are external to the organization and can be defined as any factor or situation that might be expected to aid organizations efforts to achieve their objectives (Smith, 1994: 54).

Threats, just like opportunities, are also external to the organizations and can be any factor or situation, which might be expected to hinder efforts to achieve their objectives. On the other hand, strengths of an organization are positive attributes or abilities unique to the organization, which in some way enhance the organization's abilities to achieve its objectives. Weaknesses are internal negative attributes or inabilities unique to the organizations, which in some way have led (or will probably lead to the organization's failure to achieve its objectives.

After carrying out the SWOT analysis the strategic planning process can proceed with the environmental scanning and validation of information. Environmental scanning in terms of strategic planning, focus on three different dimensions. These

dimensions are: the macroeconomic environment, the political-legal environment and the socio-cultural environment (Katsioloudes, 2002: 28).

#### **2.3.1.2 Identification of Strategic Issues**

Upon completion of the SWOT analysis, identification of strategic issues then follows. Strategic issues can be defined as a fundamental policy choice affecting an organization or management and its purpose is to identify the fundamental policy choices facing the organization (Bryson, 1988:139).

Strategic issues directs the process of decision-making. Decision-making begins with issues, whereas strategic planning can extend the process by effecting the way issues are handled and resolved. This is done in consideration of both organizational as well as societal values, morals ethics and the legal framework in place in a given environment.

After the process of issue identification is completed, issue weighing and thorough analysis should be carried out. This will then lead to the final option that identifies issues of serious concerns. The identified issues then become strategic plan options.

#### **2.3.1.3 Identification of the Planners and Stakeholders**

When all this is done, the next concern is to identify the most effective planning team. The planning team should consist of a reasonable number of experts derived from all the relevant fields that need to be taken into consideration in the whole process. For

instance, if a certain private company such as GIPF is embarking on developing a strategic plan, all departments and other stakeholders should be represented in the planning team.

In the past, the planning team used to be composed of only senior managers, experts and consultants. Currently, the situation is moving towards establishing planning divisions in organizations. There are many functions that can be carried out by professional planners. These include facilitative, research and support functions especially providing follow through on the assignments made during the course of planning. Another added component to this is that of coordination (Goodstein, Nolan & Pfeiffer, 1993:105).

Besides the planning team of the organization, it is necessary to involve other stakeholders in the planning process. These stakeholders include the board of directors, labour unions, clients or customers, local and state governmental bodies, the surrounding communities and in fact, any constituency that perceives that it will be impacted by a significant change in the organization (Kaufman: 1991: 109).

Brainstorming can be defined as a means of getting a large number of ideas from a group of people in a short time. The intention of brainstorming is to generate ideas. Hence, the thinking is not oriented to be structured and there should be clear rules and procedures to avoid diverting from the business at hand (Smith, 1994: 103).

#### **2.3.1.4 Options Appraisal**

This stage takes into consideration discounted cash flow analysis as well as cost benefits analysis. This is then followed by weighing and ranking of alternatives/options. Weighing and ranking involves assessing and scoring each of a number of options against each of a number of criteria in turn, then adding up the scores and reviewing the results (Smith, 1994: 114).

Upon completion of that process the best options are then selected. Such options should be selected in consideration of the organizational aims and objectives and whenever it is necessary, the mission and vision.

#### **2.3.1.5 Strategy Drafting**

Documentation should follow, to be used as an aid for ensuring action. This entails drafting what can be referred to as a strategic plan or business plan. Such documents outline intended activities to be carried out as well as intended destinations or rather achievements envisioned within the framework of the plan in place.

This stage entails setting down the main elements of a business's vision, mission, values as well as goals and objectives. These activities lead to development of a strategy.

### **a) The Vision**

The first step at this is to develop a realistic vision for the business. That will be represented as a picture of the organization in a given time period, in terms of its likely physical appearance, size, activities etc. Any organization's strategic vision should be a response to the following critical questions:

- Who are we?
- Where are we going?
- How will we get there?
- How will we measure our performance (Thompson & Stickland, 2003: 33)?

### **b) The Mission**

The nature of the business of any organization is often expressed in terms of its mission. The mission indicates the purposes of the business. The mission is associated with behaviour and the present state of affairs of the organization. It further should be dynamic in orientation, allowing judgments about the most promising growth directions and those considered less promising (David, 2003: 57).

### **c) The Values**

Values are fundamental issues or elements that governs operation of the organization and its conduct or relationship with society at large, customers, suppliers, employees, local community and other stakeholders. Organizational values assist in shaping the required and acceptable norms on which the vision and mission can be measured in

relation to the organizational goals and objectives. (Thompson & Stickland, 2003: 38).

#### **d) Goals and Objectives**

Goals should be quantifiable, consistent, realistic and achievable. They can relate to factors like market (size and shares), products, finances, profitability, utilization and efficiency. Whereas objectives should relate to the expectations and requirements of all the major stakeholders, including employees, and should reflect the underlying reasons for running the business. Goals and objectives will guide or drive the implementation process. (Arnold & Maier, 2005:2) All of the abovementioned elements will assist planners in developing the effective implementation modalities of the plan.

#### **2.3.2 Strategy Implementation**

The following stage in this whole process is that of **strategy implementation**. According to Katsioloudes (2002:211) strategy implementation is simply the set of activities necessary to fully execute an organization's strategies. The whole exercise of implementation is based on the organizational structure in place. Similarly, it takes into consideration the organizational culture and environment where the organization is operating from.



### **2.3.2.1 Actual Execution**

The implementation involves the concurrent initiation of several tactical or operational plans and programmes at different levels of the organizations and in different segments. It is imperative that changes that develop as a result of this be managed carefully especially at the top of the organization (Goodstein, Nolan & Pfeiffer, 1993: 236). However, successful implementation depends on total commitment and effective participation of the organization partners to what has to be done and to their understanding of why it should be accomplished.

The involvement and commitment should begin during the planning phase, and not during the implementation. People are the critical element in a successful organization and the successful implementation of the plan (Kaufman, 1991: 265).

### **2.3.3 Strategy Evaluation**

The determination of performance effectiveness and efficiency is the final step of the problem solving process. It plays two significant roles. These, according to Kaufman (1991: 271), are:

- Comparing en route progress with required results (this is ongoing monitoring of each phase of the problem solving the process throughout planning, doing and delivery.
- To find out if one have accomplished what he/she set out to deliver at the end of the project/program or at a specific time.

In general, evaluation is retrospective as it compares results with intentions. Furthermore, data collected during evaluation should be used to fix and/or improve the system and such information should be shared among all stakeholders and colleagues in the entire process of strategic planning.

## **2.4 Conclusion**

In short, proper planning enables institutions to limit external threats, to make use of opportunities and to address questions and problems in a proactive manner. Strategic planning is proactive, long-term and community oriented. It is therefore important for officials to have a strategic vision for the communities which they serve. A common understanding of questions and goals not only gives a united vision of the future, but also helps to mobilize all available resources in order to make provision for change.

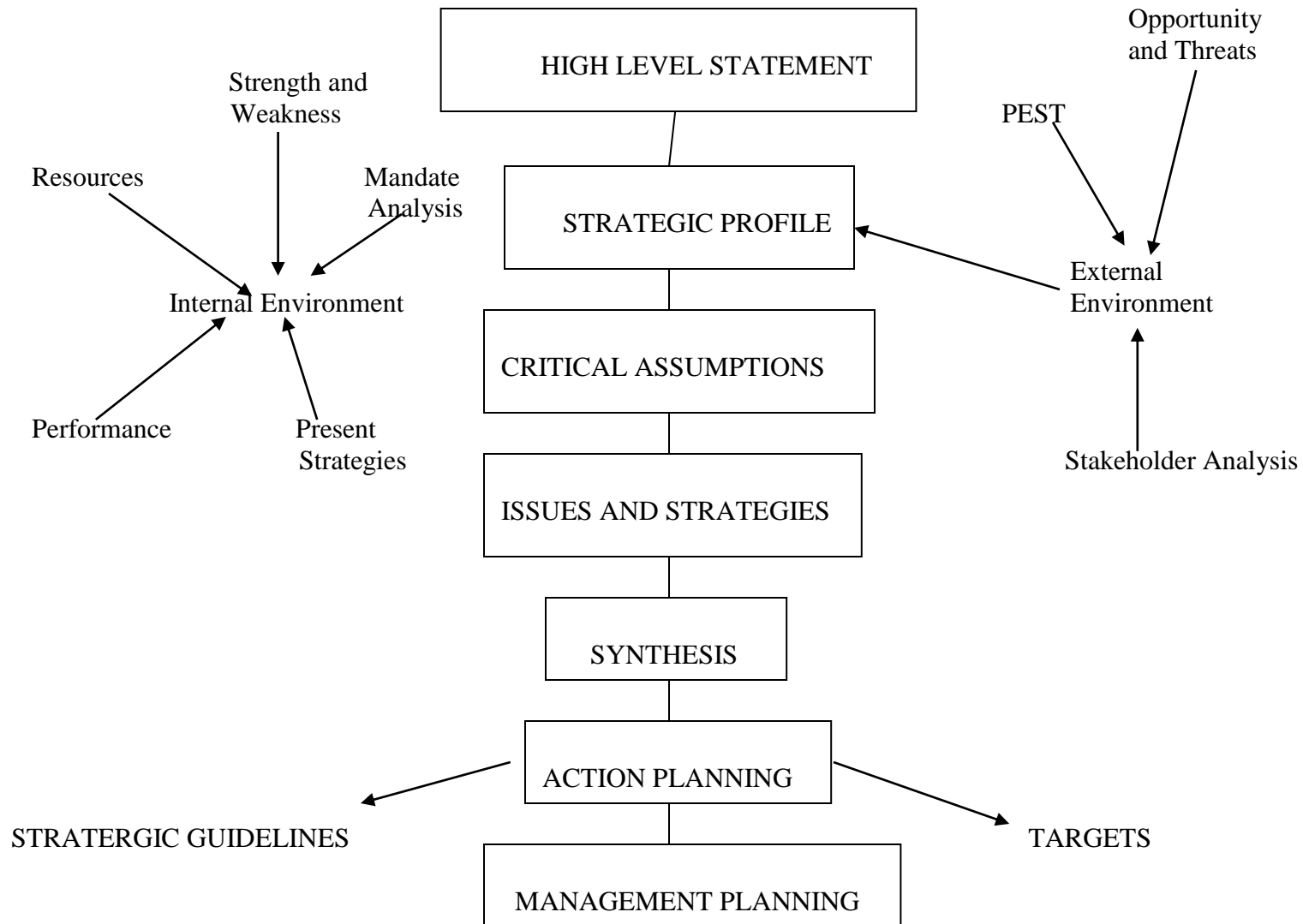
In addition, the strategic planning process must have guidelines that specify what should be done. This then requires the development of action plans. However such plans should be kept under constant review in order to prevent any derailment from the set course of action.

It does not mean that because strategic planning is a top management activity, middle and low level management do not need to participate fully. It is advisable that top management provides guidance while middle management carries out all activities pertaining to preparation of activities of the process, whereas low management should take part in the actualization process, i.e. effecting duties. Strategic planning should

therefore be an organizational process that involves all of the management levels and all staff members in any given organization.

The following diagrams summarize the process of strategic planning as it spell out the critical points and steps to be followed in developing a strategic plan. It therefore need to be clearly understood and studied before one initiate the process of strategic planning. The following chapter is going to provide short overviews of institutions selected. These overviews in relations to the generic process will assist in determining if such institutions organizational setup and operations meets the general standard required or that will make it possible for strategic plans to be developed and be implemented accordingly.

### Figure 1 The Strategic Process



## **Chapter 3**

### **Short Overview of NORED, GIPF, Rundu Town Council and Municipal Council of Windhoek – Electricity Department**

#### **3.1 Introduction**

This chapter will dwell on the analysis of the given institutions. Amongst others, it looks at missions and visions of such institutions as well as their operational structures. Their respective approaches to the planning process will also be summarized.

#### **3.2 NORED**

The Northern Regional Electricity Distributor (NORED) was the first regional electricity distributor to be established in accordance with the government's restructuring of the electricity supply industry. The company was registered in April 2001, but it only commenced activities in 2002 (NORED Electricity Business Plan, 2004:2).

NORED took over from Northern Electricity (NE) after their contract was terminated by the Electricity Control Board (ECB). It is significant to note that the Northern Electricity was operating before government restructuring of the electricity supply industry took place. NORED was then awarded a contract of one year which, they completed successfully and this caused the renewal of the contract that will run for a period of twenty five years.

The company operates as a supplier and distributor of electricity in a number of towns in the northern part of the country. The ownership of the company is equally shared by three

different groups of shareholders. These are NAMPOWER (PTY) LTD, the Local Authorities Electricity Company (PTY) LTD, and the Regional Councils Electricity Company (PTY) LTD.

All of the aforementioned shareholders hold 33% shares each and the remaining 1% share is currently not allocated but plans are underway to have it allocated. The company structure is made up of 114 positions in total. However, some of these positions are not yet filled. The management is made up of the Managing Director and four General Managers. The decision-making in terms of managerial issues is done by The Board of Directors. The Board of Directors consists of representatives from the three different groups of shareholders indicated above as well as representatives from the Ministry of Regional and Local Government, Housing and Rural Development (MRLGHRD), Ministry of Mines and Energy (MME) as well as from the legal fraternity.

NORED's core function is to buy and sell electricity to individuals as well as to business entities within the borders of its operational areas. Sales are metered in prepayment meters and conventional meters. The latter is popular amongst domestic customers. Approximately 91% of NORED's customers opt for the prepayment mode.

NORED's vision is subcategorized into three different aspects. These are:

- Commodity – we will put advanced technology in place to make reliable electricity accessible to most of the population at affordable and stable tariffs

- Service – our Services will attract investors, bring economic growth and development that stimulates job creation
- Relationship – our customers will experience high service levels, and communities will enjoy better living conditions through social upliftment.”

In addition to the vision, NORED has a comprehensive and consistent mission namely:

“NORED aims to supply quality and affordable electricity to all it’s customers” (NORED Electricity Business Plan, 2004:28)

The mission will be achieved through:

- reducing of outage time by using available technology and resources;
- actively contribute to the development of the wider community in its area of supply;
- promote and encourage alternative sources of renewable energy;
- maintain excellent relationship with customers and stakeholders;
- support government policy on the electricity supply industry restructuring and
- rural electrification.

The key performance areas in attaining such a mission involve service excellence, business growth, access to electricity, financial control, efficiencies and stakeholder relationship (NORED Electricity Business Plan, 2004:29). As part of its plans NORED wishes to promote and encourage electricity usage as part of their marketing strategy, which at the end of the day assists in connecting more customers and boost the business

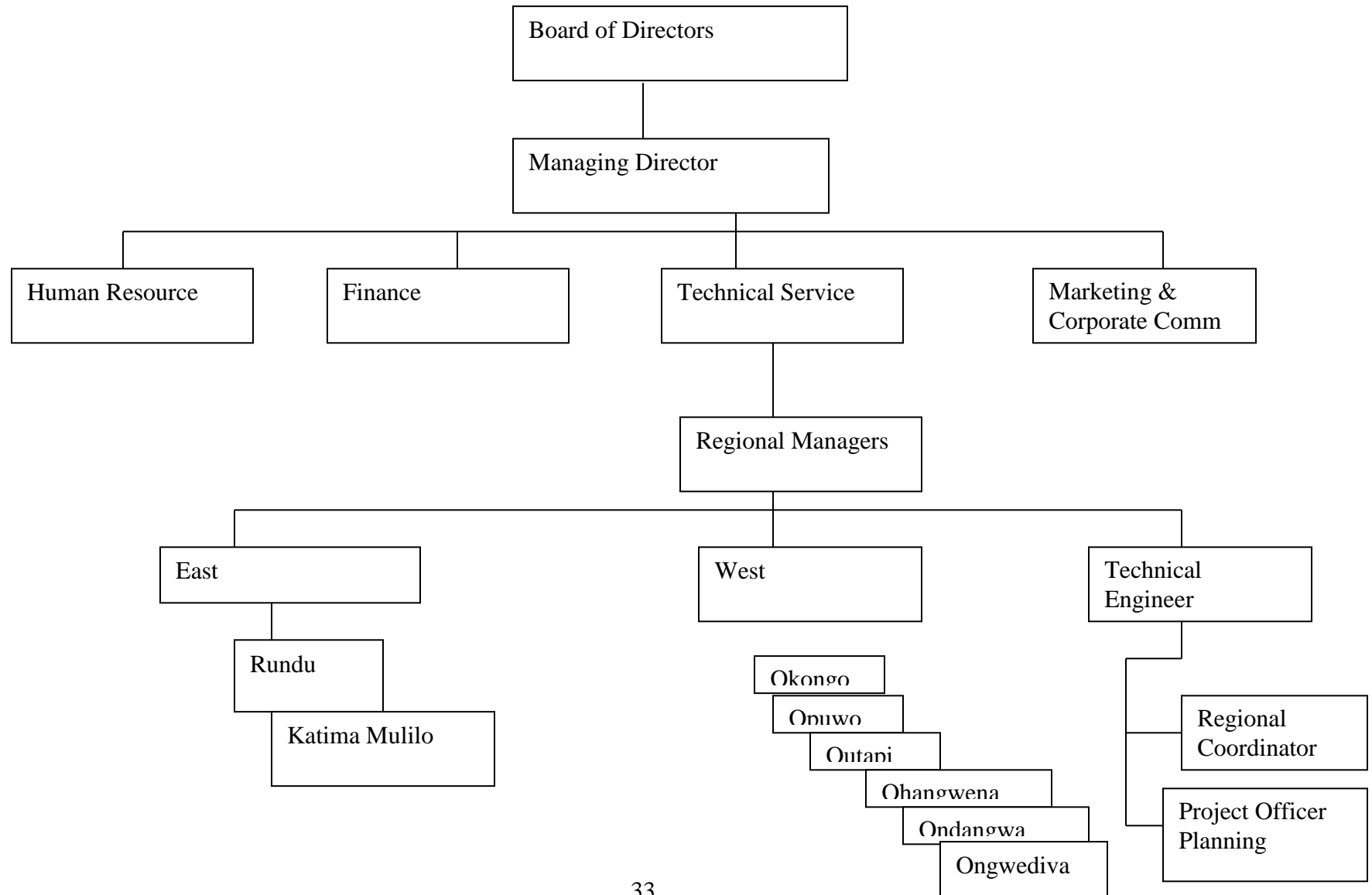
operational area. According to Mr Shovaleka, NORED, further wishes to excel in service delivery thus will be able to attract investment to the northern regions as well as making electricity easily accessible by installing vending machines for supplying units to the customers twenty four hours a day.

NORED wishes to advance and maintain a reliable network so as to avoid disappointment inconvenience in terms of power supply to the customers. Similarly NORED strives for cost control to ensure that all costs incurred are necessary and reasonable that will contribute to good return in terms of profit generation and high income returns to the company. The company plans to carry out a review in the next five to ten years in order to determine if the operations are running as per strategy in place and to determine the level of achievement to be de recorded by then.

In order to understand the process of strategic planning at NORED one needs to look at the company's operational structure. The formulation of the plan start at the highest level (the board of directors) and filter through all the structure until the lowest centre level where the implementation takes place. The following diagram therefore summarize the organizational structures through where the plan was formulated and being implemented.



**Figure 2 NORED'S ORGANIZATIONAL STRUCTURE**



### **3.3 Government Institutions Pension Fund**

GIPF came into effect on the 01<sup>st</sup> October 1989 shortly before independence. GIPF was established to take over the operations of pension administration, which has been under the responsibility of the Treasury Unit of the Finance Department of the South African government.

The core function of the fund is to provide retirement and ancillary benefits to the beneficiaries, who are members of the fund and their dependants. However, the rules of the fund are drafted within the framework of the national governing rules which operate in conjunction with the Pension Fund Act (Act no 24 of 1956).

The fund has since then been operating under Suid Afrikaanse Nasionale Lewens Assuransie Maatskappy (SANLAM) and was only transferred to its own premises in July 1999. Most of the assets were transferred upon the establishment of the fund and all civil servants automatically became the first group of the members of the fund.

GIPF offers the following pension benefits

- Normal pension benefits;
- Early retirement benefits;
- Ill health benefits;
- Disability income benefits;
- Death benefits;
- Retrenchment benefits; and

- Funeral benefits.

As part of its leading role, GIPF strive to be among the leading pension funds worldwide, provide real value benefits and a sustained stream of first rate member services whilst meaningfully contributing to the development of Namibia's economy and society.

The company's leading mission is “ to provide the highest level of financial security to its members and to deliver efficiently accrued and approved pension benefits and services to member and their dependants.”

The company is functioning under the leadership of a Board of Trustees. The Board of Trustees, consist of nine members drawn from different stakeholder units. These are the government, trade unions as well as representatives from the legal fraternity. The role of this body is to ensure effective and worthwhile investments of the pension and at the same time, monitor real value benefits to members and their dependants.

In addition to the board, there is a management team consisting of fifteen members drawn from four different departments. These are the ones who are responsible for the day to day activities of the fund their main responsibility is to ensure good quality service delivery to members and their dependants. The general workforce of GIPF consists of one hundred and fifteen members, stationed both at head office and its six regional offices. The regional offices are located in Katima Mulilo, Rundu, Ondangwa, Oshakati, Keetmanshoop and Swakopmund.

GIPF has been doing well in terms of investment. GIPF assets in 2005 were standing at approximately 19 billion N\$. It is therefore one of the leading companies in Namibia's financial sector. However the fund experiences some difficulties resulting from the HIV/AIDS pandemic that contributes to the high death rate of members of the fund and their dependants. (GIPF Strategic Plan – Corporate and Departmental, 2002:6) According to Mr Hango, GIPF's Chief Executive Officer, the number of death cases and withdrawals from the fund have raised tremendously. By implication, this means that pension benefits payable in such cases became too many and pose a great impact to the assets of the fund, in general.

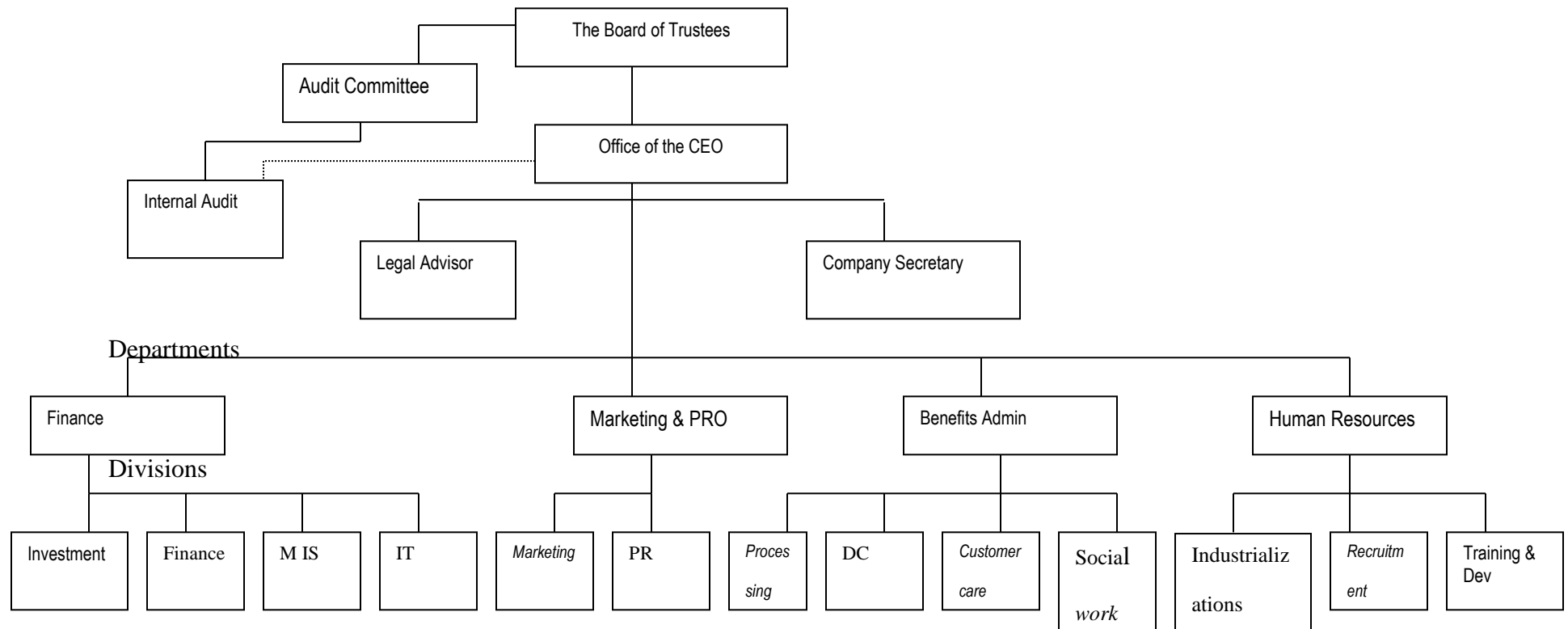
GIPF wishes to increase its membership to at least eight hundred thousand within a period of five years. That is why plans are underway to establish GIPF Proprietary Limited that will take on board other private institutions and will offer defined benefits. Such a fund will operate at the market level and challenge existing defined contribution funds in terms of service delivery (GIPF Strategic Plan - Corporate and Departmental, 2002: 7).

The company is striving for effective and high return in terms of investment both inside and outside the country. However, sometimes such investments happen to be operating in a risky environment (GIPF Strategic Plan – Corporate and Departmental, 2002: 7). The organizational structure of GIPF is designed in such a way that the various departments are coordinated in order for them to complement each other in administering their activities. The four departments operating with the support of the Chief Executive Officer

spearhead the implementation of strategies and plans. This is done under the supervision and monitoring by the Board of Trustees.

The company's operational structure is outlined on the following diagram:

**Figure 3 GIPF ORGANISATIONAL STRUCTURE**



### **3.4 RUNDU TOWN COUNCIL**

The town of Rundu was founded in 1936. During those years it used to be referred to as the post of Rundu. The name Rundu derived from the Rukwangali word and it means “uphill”. The town is located at the center of the Kavango Region with 200 kilometers to the border of the region on all four sides of the town.

According to Mr Muhepa The Rundu Town Council’s Chief Executive Officer the geographical area of the town covers one hundred and seventy four square kilometers of which only 15 (fifteen) kilometers is covered or occupied by houses, businesses and other buildings. However, out of the covered fifteen kilometers only five kilometers is formal settlement. Otherwise, the remaining ten kilometers is informal settlement. The population of Rundu town is estimated at sixty two thousand as per the last national census carried out in 2002. Furthermore, the town covers three of the nine political constituencies in the region. These are Rundu Rural West, Rundu Rural East and Rundu Urban.

The town was officially proclaimed in 1993 in terms of the conditions of the Local Authorities Act (Act no 23 of 1992) as amended which makes provision for the establishment and proclamation of certain municipal areas into towns. The operations of the town only became partly independent from the government in 1999 when the town started functioning independently in terms of resources provision and supply, as well as in terms of direct supervision from the MRLGHRD (Muhepa:2004).

According to Mr Muhepa, infrastructure development and economic conditions enhancement was recorded at a very slow pace since the establishment of the town in 1936. In other words there was no mechanisms and capacity to develop infrastructures and there were no viable products that will assist the town in boosting its economy. However, it only progressed during 1974/75 upon the establishment of the military center at the town by the former South African government soldiers.

The town's decision-making is spearheaded by the Town Council. The Town council also directs the process of infrastructure development. This body consists of political figures elected during the Local Authorities election that took place in May 2004. These councilors represent the interests of the political membership at the ground and are expected to keep in touch with them in all issues pertaining to the general well-being of the entire community in the town.

The Town Council consists of seven town councilors of which three are female and the remaining four are men. In terms of political representation six of these councilors represent the SWAPO Party while one represents the COD (Congress of Democrats). One of these councilors serves as the mayor of the town.

The day to day administrative activities of the town are directed by the Chief Executive Officer together with his team of ninety employees. The number of employees is expected to rise to approximately one hundred and thirty when all positions in the establishment of the plan are filled. This will be realized upon the implementation of the



strategic plan. This is expected to be accompanied by the improvement of services rendered by the town management to its residents (Rundu Town Council Draft Local Strategic Plan, 2004:3).

The town management still consult with the MRLGHRD in terms of supervision, funding, capacity building, training and development of its staff members. The other partners in this regard is the Kavango Regional Council, the National Planning Commission and all other government and private institutions who are stakeholders in the realization of goals and objectives of the town.

The vision of the Rundu town is “ To be the best town people can be proud of” whereas the mission is still to be identified.

Rundu Town Council draft Local Strategic Plan (2004:8) sets out the Strategic core areas as:

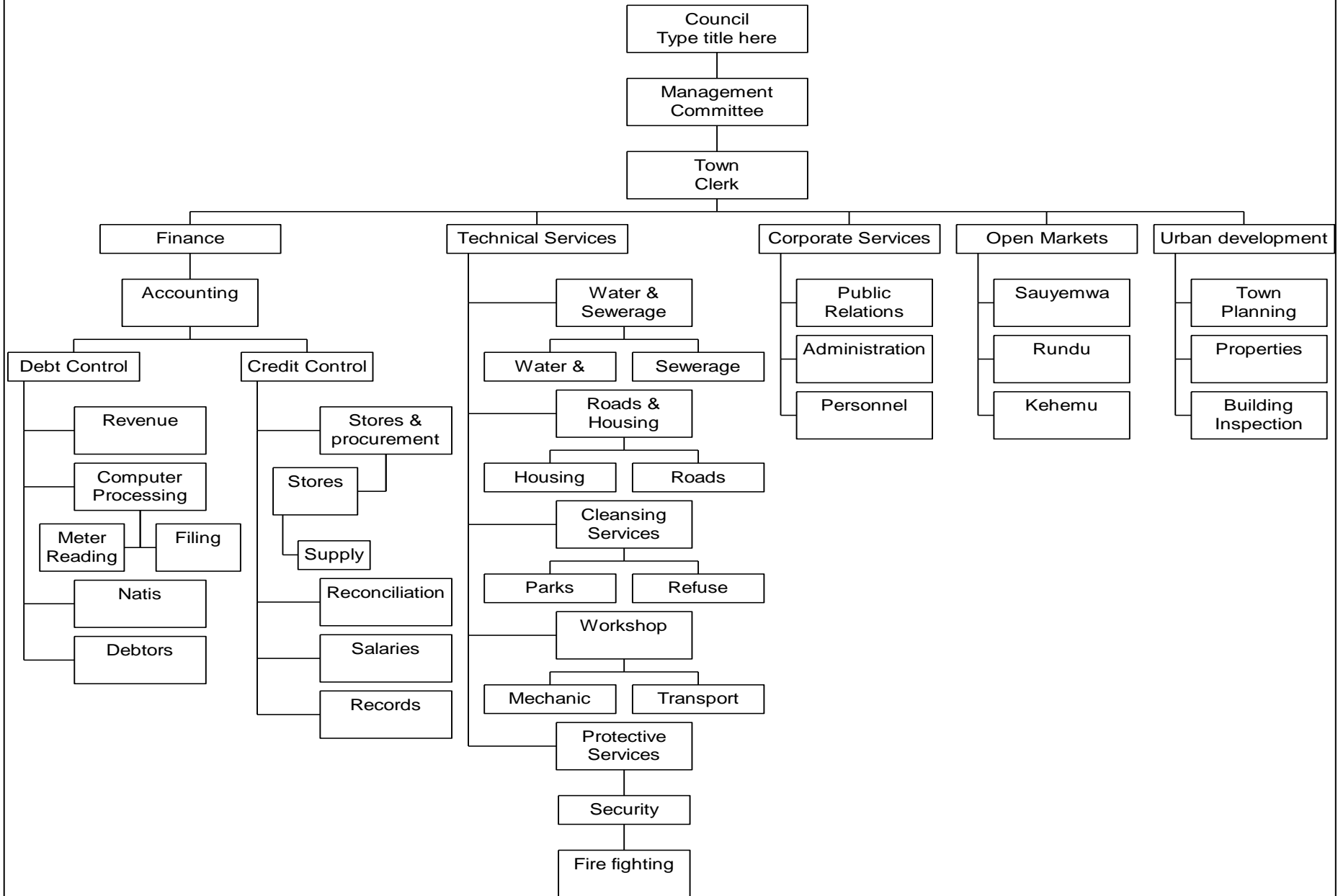
- To enhance Council’s human resource capacity and to create a working environment conducive for staff members impacting on improved service delivery;
- To improve the quality and reliability of core service provision towards customer satisfaction and commitment to pay;
- To enforce and ensure the enforcement of the council’s regulatory framework to achieve an environment that is conducive for all stakeholders;

- To improve council's financial sustainability through a diversified revenue base and improved collection towards reinvestment in service provision;
- To increase the Council's capacity to communicate with all stakeholders resulting in increased involvement in Council affairs and cooperation.

The town plans and activities are coordinated with those of the Regional Council. This is done in order to avoid overlapping of activities and neglecting some critical areas in terms of service provision and infrastructural development. One of the core functions of the town is the provision of affordable and proper housing for the residents of the town. This is therefore the most critical area that is necessitated by rural/urban migration mainly in search for employment.

The diagram below illustrates the organizational structure of the Rundu Town council.

# Rundu Town Council Organisational Structure



### **3.5 The Municipal Council of Windhoek**

Though the actual analysis was carried out only at the Electricity Department, the Municipal Council of Windhoek has one main strategy that covers and directs the operations of the Council in all departments. Hence it is important to understand the overall strategy before analyzing the specific department. There is no strategic document drafted specifically for the department under review.

Windhoek is the capital city of the Republic of Namibia. The city covers a total area of six hundred and four square kilometers and its inhabitants are estimated at around two hundred and twenty three five hundred and twenty nine people making up almost 12.8% of the total Namibian population of 1.8 million.

Though it has been in existence for many years, the first Local Authorities elections were held by end of 1992 as provided for by the Local Authorities Act (Act no 23 of 1992) as amended. That is why the first democratic elected Council only took office at the beginning of 1993.

The City of Windhoek has been operating as a municipality under the apartheid rule. The South African government had been ruling the country by then and they were the ones on the forefront of all services including the municipal services.

The main functions of the Municipal council of Windhoek are as follows:

- To supply water to the residents in this area;

- To provide, maintain and carry on a system of sewerage and drainage;
- To provide and maintain a system of sewerage and drainage;
- To provide and maintain a system of refuse removal and disposal;
- To provide serviced land for any development;
- To establish and maintain cemeteries;
- To construct and maintain public places;
- To supply electricity or gas to its residents;
- To establish and maintain public transport system;
- To establish housing scheme;
- To establish public market to establish and maintain parking garages;
- To provide community facilities;
- To provide certain identified services on an agency basis for central government;
- To determine the charges or fees for any services rendered.

All aspects pertaining to policymaking are directed by the City Council. The Council consists of fifteen (15) members appointed in office for the period of five (5) years. The Council meets regularly to deliberate on policy issues and takes decisions on the issues pertaining to the running and affairs of the town.

The current council was elected on the 14 May 2004. These are part time political office bearers whose responsibilities amongst others are to assist with policy formulation and decision-making. The councilors amongst themselves elect the Management Committee.

The core functions of this committee is to ensure that decisions of the council are carried out and it plays a role in controlling the expenditure and revenue voted by the council.

The Major of the city is elected amongst the councilors on an annual basis. He/she therefore serves as the ceremonial head of the council. In order to carry out its duties and functions, the Council must appoint a Chief Executive Officer (CEO), who directs all administrative activities of the city. Such a person is appointed for a period of five years and that term is renewable. The CEO and Strategic Executives (heads of the department) also attend all management committee and council meetings on an ex officio basis. The departments are created to effect the execution and implementation of policies as passed on to them by the Council and the CEO. Windhoek has nine (9) departments headed by strategic executives, with a total staff complement of approximately 1 600 (one thousand and six hundred) employees. This is presented on the diagram on page 49:

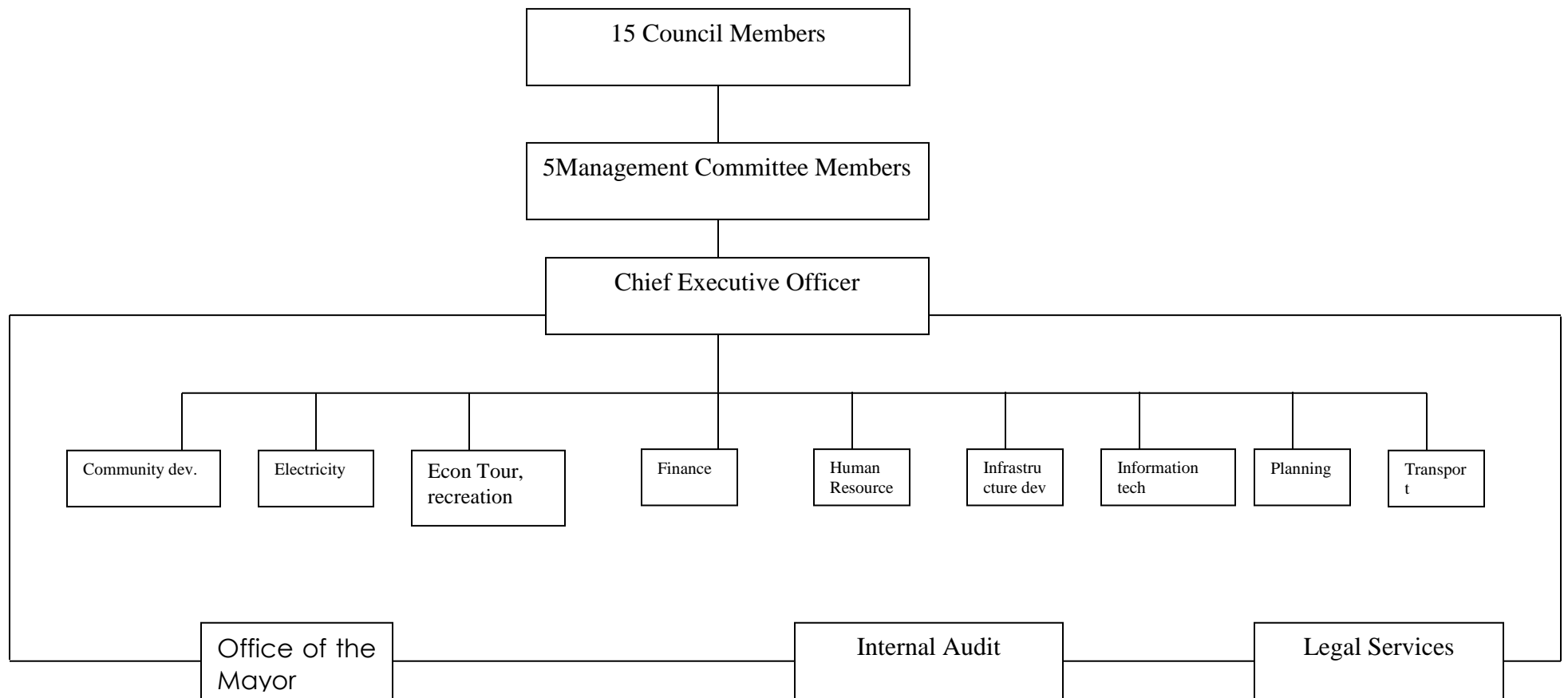
Through its vision, the Municipal Council of Windhoek commits itself “To make the City of Windhoek a vibrant, economic and technological center of excellence in Africa in order to enhance the quality of life of all our people.” (City of Windhoek Local Economic Development Strategy, 2002:1).

The mission of the Municipal council of Windhoek is as it follows:

- Render affordable, effective services and infrastructure to their customer through the optimal use of resources, technology and sound financial management:

- Create competitive development opportunities while applying sound environmental principles.
- Promote a user-friendly culture while encouraging public participation and ensuring customer satisfaction.
- Seek co-operation between government, parastatals and the business community in pursuit of synergy between service providers,
- Promote tourism while ensuring a crime free and safe environment (City of Windhoek Local Economic Development Strategy, 2002:3).

**Figure 4 THE MUNICIPAL COUNCIL OF WINDHOEK ORGANOGRAM**





### **3.6 Conclusion**

This chapter provided the background information that includes the organizational visions, mission statements, values as well as goals and objectives of the case study limitations. These form the integral part of their strategic plans as it is required in the strategic planning process outlined in the previous chapter. Organizational structures were included to clarify the channels of the planning process in all of the organizations under review. Such channels include both the communication and the decision-making structures. The following chapter is therefore going to critically analyze strategic plan documents in place on individual organizations.

## **Chapter 4**

### **Analysis of Strategic Planning Documents and Process**

#### **4.1 Introduction**

This chapter is providing an outline on the strategic documents in place for all organizations under review. This analysis will dwell on how the plans are developed, what are the important issues to be taken into consideration during this process as well as the key areas of concentration.

#### **4.2 Analysis of Individual Institutions Strategic Documents/Plans**

##### **4.2.1 NORED's Business Plan**

Upon realizing the need for a corporate strategy, NORED embarked on formulating a business plan that will guide the operations of the organization and assist it realizing its goals and objectives. The plan was compiled between April and July 2004 and is expected to be in operation as from the 1<sup>st</sup> July to 30<sup>th</sup> June 2015 for a period of ten years.

The next step in strategy formulation at NORED was the identification of the key performance areas and at the same time point out the key performance indicators. This was followed by indicating the key corporate policies that should be put in place as tools to be used by the NORED team for it to operate successfully. Some of these policies are such as:

- Affirmative Action;
- Black Economic Empowerment;
- Government Rural electrification;
- Electricity Supply industry restructuring;

- Labour Legislations;
- Regulatory Requirements for example. ECB;
- Electricity Acts;
- Human Resources development and Capacity Building;
- Investment Development;
- Financial Development;
- Good Governance (NORED Business plan, 2004:7).

The next step was that of identifying corporate targets to be accompanied by measuring the services delivered to determine if they are of quality because it is only then that it can positively contribute to business growth in general. Improved accessibility to electricity supply for both domestic and business consumers was also one of the crucial points taken into consideration during the drafting of the NORED business plan. Efficiency and sound financial control as well as a good relationship with stakeholders were considered to be the best pillars of success in the electricity supply business (NORED Business plan, 2004:9).

Another key issue considered was that of a business development strategy that includes commercial, marketing as well as network development strategy. NORED is a young company whose operations are concentrating on under-developed and formerly disadvantaged areas. That is why NORED developed three strategic thrusts. These are developing the organizational identity, attracting, retaining and growing expertise as well as entrenching efficiency in operations to seal the entire process. The business plan

analyzed the operational structure in terms of expertise and staff members required to perform specific duties and responsibilities that will enable NORED to succeed (NORED Business plan, 2004:14).

#### **4.2.2 GIPF's Strategic Plan**

As a sole administrator of public servant's pension in Namibia, GIPF has to strive to remain a competitive national institution. This can only be realized through providing strategic leadership and ensuring effective corporate governance to all its stakeholders, members and their dependants. All these demand greater efficiency in both management of the fund's assets and also in how pension benefits are administered (GIPF Strategic Plan – Corporate and Departmental, 2002:3). As a result of this, the company developed a strategic plan (corporate and departmental) that is expected to run for the period between 2002-2007 in order to direct its operations toward realization of its goals and objectives.

GIPF started off with the identification of the company's vision, mission and the company's core values. The core values represent key building blocks for GIPF and define the attitudes, actions and culture of the staff and organization. Another point of concern taken into consideration during the strategy formulation was that of industrial analysis. This include income and investment, pension funds in general, the market and major economic, political and demographic influences that sometimes poses a great threat to members and their dependants (GIPF Strategic Plan – Corporate and Departmental, 2002:5).

The strategists further looked at the Pension Fund Market Growth Prospect by considering parastatals and other newly privatized and commercialized enterprises as logical catchments, because they represent new areas for business. The strategy also focused on the newly established GIPF (PTY) Ltd, a subsidiary company that will provide defined contributions in order to widen GIPF client base and to develop additional capacity to provide flexible benefits administration services (GIPF Strategic Plan – Corporate and Departmental, 2002:5).

It further concentrated other market factors and environmental influences that challenge the entire operations. First and foremost GIPF operates within an open market system, thus GIPF operates in the system where SACU and SADC member states have vested interest. Through this, globalization becomes one of the social concerns together with the increase in the convergence of financial institutions including other pension funds. Other challenges are such as increased national regulations the declining trend in public sector employment, the declining trend in exchange rate, an increasing demand from members and beneficiaries, changing demographic profiles, computerization and technological advancement as well as the devastating impact of HIV/AIDS and other life threatening diseases that pose a great impact on the fund. (GIPF Strategic Plan – Corporate and Departmental, 2002:7)

The company looked at the issue of recruiting and retaining qualified staff and functionaries as well as delivering first rate client benefits and services. The strategic

objectives were drawn at departmental level with the general corporate objectives encompassed into three key areas, which are:

- delivering timeously and proficiently benefits to members and their dependants;
- providing cost effective and efficient administration services to clients;
- promoting steady growth in fund membership;
- assisting local value added development in Namibian enterprises (GIPF Strategic Plan – Corporate and Departmental, 2002:11).

The strategy itself did not reveal much on the procedures to be followed or the steps to be taken to get there. Instead it provided some forecast in terms of income to be generated, in terms of market growth without necessarily concentrating on the general economic growth and income return in terms of the investments. On the other hand, there are no programmes or activities outlined in terms of human resources development and training to equip the current staff with the necessary skills in order to meet market demands. Furthermore, on the role of stakeholders the strategy is ensuring total commitment to national goals and objectives as well the social responsibility. More specifically with regard to the responsibility GIPF has towards the country's development and improvement of social standards of its citizens in general. (GIPF Strategic Plan – Corporate and Departmental, 2002:21)

#### **4.2.3 The Rundu Town Council Draft Local Strategic Plan**

During 2000, a systematic capacity building assessment was undertaken. Such assessment identified constraint within the Rundu Town Council for planning. Hence the town became part of the pilot local authorities identified to participate in an initiative supported by the Capacity Building for Local Authorities Economies (CABLE) project under the auspices of the Ministry of Regional and Local Government, Housing and Rural Development to develop their own strategic plans. (Rundu Town Council Draft Local Strategic Plan, 2004:2) The document as mentioned above was then drafted in March 2004 and is expected to run for the period between 2004 to 2008 (four year plan).

In their first phase the Rundu town planners first and foremost looked at the challenges they are faced with. This was done through the situational analysis of the immediate challenges and current opportunities. Such challenges were highlighted and classified under socio-economic level, organizational level, technical level as well as on the financial level. In response to these challenges, a number of positive attributes were identified, which can be explored as part of strategic developments that may overcome the challenges spelled above (Rundu Town Council Draft Local Strategic Plan, 2004:3).

A number of issues were identified to be the main stimulants to the economic development and employment creation at the town. These are proper managed and flexible municipal services, tourism potential, investment and business potential, strategic location as well as the growing market. (Rundu Town Council Draft Local Strategic Plan, 2004:4)

The next step in the strategic plan formulation was that of identifying the vision, mission and the strategic core areas. However, it is significant to note that the council is still busy working on the mission of the town. The development of strategic core areas was accompanied by the identification of key strategies. Those key strategies are classified into five core areas of which strategies are formulated based on individual areas goals (Rundu Town Council Draft Local Strategic Plan, 2004:2). The core areas are as follows:

- The first core area is that of the council's human resources development. With its goal of strengthened skills and competencies with resultant improvement in services, the Council strives to increase skills and competencies at all levels within its workforce, review the current organizational structures to respond to service demands and to improve the conditions of service for its staff.
- Striving for improved service infrastructure and quality core services, the Rundu town management pledges to improve the quality and reliability of core service provision, develop a customer care culture, within Council at all levels as well as developing quality standards and benchmarks for core services in collaboration with other local authorities.
- Effective guidance on all Council's administration and adherence by external stakeholders to regulatory requirements. Strategies developed and focus on developing relevant policies, regulations, bylaws, for the Council's operations, sensitizing and raising awareness on the regulatory framework to relevant stakeholders, enforce the regulations, policies and bylaws for smooth operations.



- Increasing revenue, improved financial control and reduced debt. The ways to achieve these are by means of, improving the town's revenue collection, increase the council's revenue base, institute innovative or alternative financial control of the town's operations as well as improving and strengthening the council's financial control
- Striving for improved collaboration with the stakeholders resulting in transparent and participatory approaches in planning, implementation and decision-making. The only possible way to achieve this is to increase and improve tools and methods of communication with stakeholders, develop platforms/ avenues for consulting all stakeholders and finally to institute communication and coordination within various departments. (Rundu Town Council Draft Local Strategic Plan, 2004: 4-9).

The mechanisms and procedures as to how these plans are going to be implemented are also highlighted thereof. The resources to be utilized for example, items, amounts of money and others are specified and attached to specific programmes items with the total being summarized at the end of the document.

#### **4.2.4 The City of Windhoek Local Economic Development Strategy**

The electricity department that forms the integral part of this analysis fit in the last point of the Municipal Council of City of Windhoek key development priorities. Electrification and promotion of vendor machines serve as one of the prominent activities under promotion of social equity and improvement of the quality of life for all. As stated earlier

on that there is no long term plan for the electricity department, the analysis will focus on the Local Economic Development Strategy of the Municipal Council of City of Windhoek because it is the umbrella strategic plan that encompasses the Electricity department.

Strategic planning at the City of Windhoek was and remain a continuous policy process of developing and improvement of the town's amenities and services. Town planning makes provision for the socio-economic factors and provides community contact and meeting places, schools, hospitals, churches, crèches. Etc, while the infrastructural development makes provision for roads, water and electricity supply and sewerage.

In order to enhance these services the city of Windhoek felt it necessary to come up with a plan that responds to issues outlined above. The document known as "The Local Economic Development Strategy" was compiled. The document was prepared and implemented in September 2002 to be in operation for the period 2002 until 2006 (City of Windhoek Local Economic Development Strategy, 2002:2)

The City of Windhoek Local Economic Development Strategy provides a focus and direction for activities within the City of Windhoek for the period of five years towards the promotion of new and better employment opportunities, a better environment for business and investment, as well as more sustainable and diverse economic base. The document is therefore designed around four key development priorities which are:

- the need to address poverty alleviation and job creation;

- the promotion of investment and commerce;
- the challenge of developing Windhoek as a national and regional hub;
- the need to promote social equity and to improve the quality of life for all

(City of Windhoek Local Economic Development Strategy, 2002:2).

At its operation basis the document first and foremost made a special reference to the vision, mission as well as strategic thrusts of the City of Windhoek before dwelling on the meaning or rather the definition of local economic development. Local economic development “describes the action local people take either as individuals or in groups to improve the respective areas of employment and business opportunities and the quality of life of its people in general. It further promotes the participation of all stakeholders in projects and initiatives that improves the economic competitiveness of an area as well as the social well being of those who live in these areas. With consideration of national policies, local action is also necessary to balance and give shape to national efforts (City of Windhoek Local Economic Development Strategy, 2002:5).

Besides the vision, the council also developed another sub vision for its local economy known as “A Working City” That Demonstrate Leadership and Commitment to Results That is Shared Among Other Local Stakeholders in Partners in Development of the City. Based on this vision the local economic development has been designed on the following strategic frameworks which can be expressed as development objectives.

The development strategy formulated to achieve this are:

- the Windhoek business development strategy;
- the information for development strategy;
- the industry recruitment strategy;
- creating a business-friendly environment;
- the Windhoek investment strategy;
- the capital industry strategy;
- the capital tourism strategy;
- local consultation and participation and;
- the strategy on working with civil society. (City of Windhoek Local Economic Development Strategy, 2002

The Municipal Council of Windhoek intend to venture in a process of realization of local economic development at a city level. Planning and allocation in terms of resources capital and other infrastructure is done at departmental level. Further analysis of the strategy formulation and implementation by the City of Windhoek will concentrate on one department, namely electricity provision and regulation (City of Windhoek Local Economic Development Strategy, 2002:8).

#### **4.2.5 Evaluation of the Process**

The strategic planning process is more or less similar to the normative process outlined in chapter 2 of this research. In all organizations under review the process started with the identifications of the visions and mission statements. This was followed by the outlining

and indication of key values as well as goals and objectives. The rest of the process might not be exactly the same but this is determined by the kind of business/activities each organization pursues.

### **4.3 Strategy Formulation**

At NORED it was indicated that management participated in strategy formulation by giving ideas on how they want their institution to operate and the procedures for such operations. They further stated that management participates to ensure that the company's goals and objectives are taken into consideration at the onset of the strategy formulation process. General concern raised by management includes ensuring that the interest of their customers and those of the company are taken care off and balanced at all levels. This indicates that management participate by applying checks and balances to the entire formulation process in order to ensure that everything is done according to the laid out standards and procedures.

According to some respondents at GIPF, strategy formulation starts at the low level. Middle management participates by compiling their divisional strategies. They start by mobilizing human resources in their specific divisions and units to brainstorm about the operations. From there they formulate the strategy around ideas generated through brainstorming sessions. Top management participates by compiling the organizational strategy as per submissions received from the lowest level. It is also significant to note that they ensure that the organizational vision and mission statement form part of the strategy.

At Rundu Town Council it was reported that the process starts with middle level managers preparing and submitting reports to top management. Such reports will then form part of the overall planning process. Top management upon receiving these reports start the SWOT analysis with representatives drawn from all levels within the organization as well as other stakeholders of the organization.

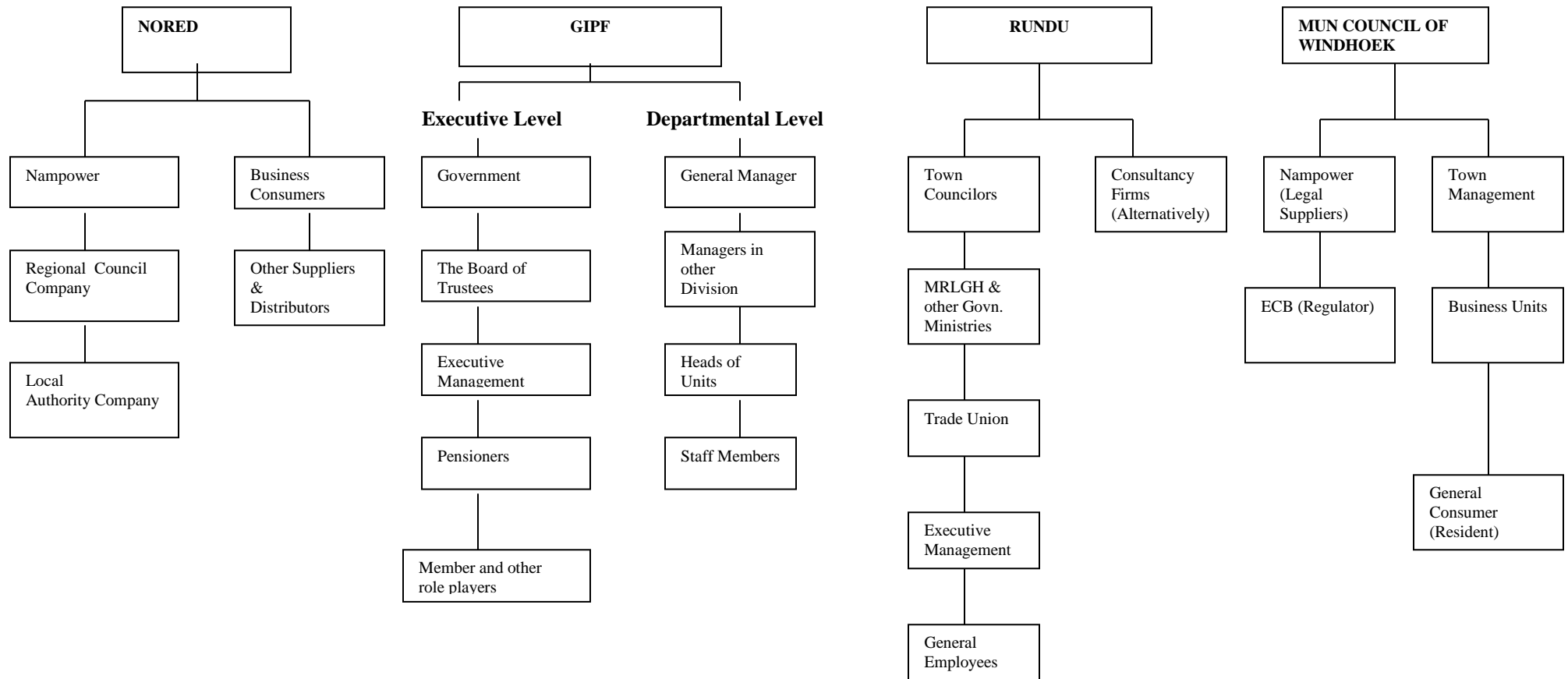
As recorded at the Municipal Council of Windhoek - Electricity Department, management participates by carrying out situational analysis and research to identify where there is a need for improvement and changes in the process of electricity supply and distribution. Management compiles reports that form part of the departmental strategy to be submitted to the city's top management for approval and incorporation in the city's main strategic plan.

#### **4.3.1 Stakeholders in Strategy Formulation**

A number of stakeholders that participate in strategy formulation were identified.

The following diagram outlines the stakeholders in the process of strategy formulation:

**Figure 5 Stakeholders in Strategy Formulation**



#### **4.3.2 Communication Channels**

At NORED management indicated that communication starts at a very low level where all staff members and other stakeholders are given an opportunity to contribute and participate. The channels can continue up to the management level and whenever there is something it has to be communicated to everybody who is part and parcel of the entire strategy formulation process.

GIPF's managers confirmed that communication starts with heads of units. They first consult staff members in their respective units and the input received forms part of the divisional strategy before it becomes part of the departmental strategy. The strategy is then communicated through structures to the highest level. The next step refers to the buying in by the Trustees of the fund and management at a strategic planning meeting and communication of the same to government, members of GIPF, staff members and service providers.

At Rundu town council management indicated that, communication mechanisms starts with management notifying the employees of the anticipated strategic plan and thereafter follows a workshop for everybody else in the employment of that institution. Then follows the identification of the team that will be responsible for formulating a SWOT analysis. They are also tasked with formulating a draft plan, evaluate it and communicate it to the entire management and other staff members at large.



At the Municipal Council of Windhoek Electricity Department, management confirmed that communication starts at the initial stage. This is done through meetings targeted to discuss all aspects of development in the process, via emails, telephone discussions and mailing of documents to stakeholders and staff members whenever necessary.

#### **4.3.3 Factors to Be Taken into Consideration**

The following points were identified as the most important factors to be considered in the process of strategy formulation.

**Figure 6 Factors To Be Taken into Consideration During Strategy Formulation**

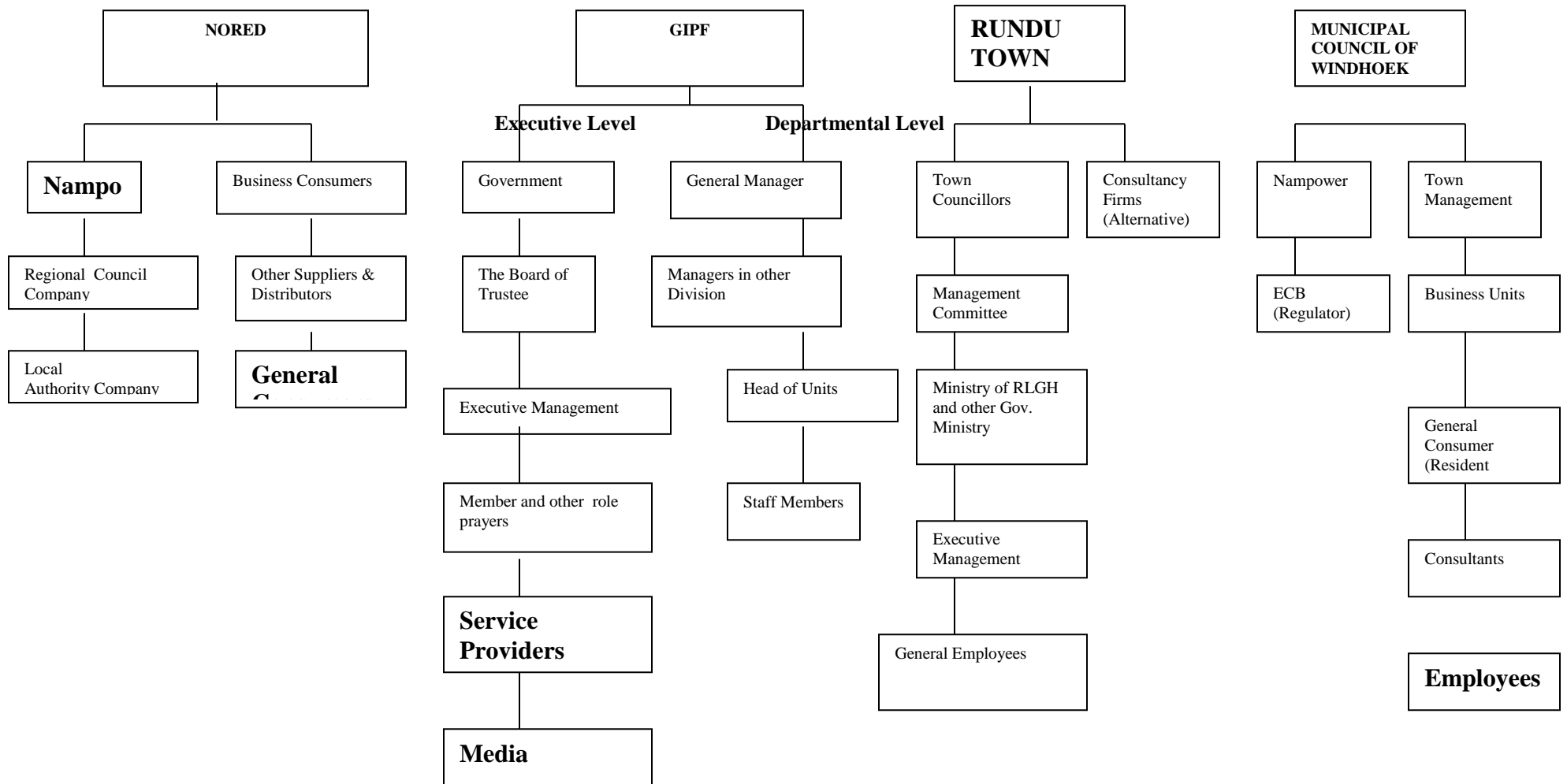
<p><b><i>NORED</i></b></p> <ul style="list-style-type: none"> <li>▪ Nature of work to be done</li> <li>▪ Targeted customers</li> <li>▪ Geographical location of supply</li> <li>▪ Customer expectations</li> <li>▪ The relationship with the supplier</li> <li>▪ The relationship with customers</li> </ul>	<p><b><i>GIPF</i></b></p> <ul style="list-style-type: none"> <li>▪ Proper communication</li> <li>▪ Financial and Human Resources</li> <li>▪ Staff skills and understanding</li> <li>▪ Knowledge of the plan content</li> <li>▪ Time frame</li> <li>▪ Approach</li> </ul>
<p><b><i>Rundu Town Council</i></b></p> <ul style="list-style-type: none"> <li>▪ Human Resources</li> <li>▪ Funding/finances</li> <li>▪ Equipment/tools</li> <li>▪ Comprehensive action plan</li> <li>▪ Commitment by all stakeholders</li> <li>▪ Motivation</li> <li>▪ Management support</li> </ul>	<p><b><i>City of Windhoek</i></b></p> <ul style="list-style-type: none"> <li>▪ Human Resources</li> <li>▪ Financial resources</li> <li>▪ Internal environment</li> <li>▪ SWOT analysis</li> </ul>

## **4.4 Strategy Implementation**

### **4.4.1 Stakeholders in the Implementation**

A number of people and groups who participate in the process of implementing a strategy were identified. They are further subcategorized into external and internal stakeholders. The following diagram illustrates these stakeholders as per individual organizations. This is summarized as per responses received from the institution, since most of similar responses were recorded from two or more interviewees per organization.

**Figure 7: Stakeholders in Strategy Implementation**



#### 4.4.2 Factors to be Taken into Consideration at Strategy Implementation?

In all cases analyzed a number of factors were identified as the most important ones that need to be considered while implementing strategic plans. For example, the formulation phase most of the responses recorded from NORED identified customer satisfaction as the most important factor while at GIPF proper communication was rated the most important one. The two town council of Rundu and the Municipal Council of Windhoek – Electricity Department shared the same perspective. The following diagram summarize the factors to be taken into consideration when implementing a strategy

<b>NORED</b> <ul style="list-style-type: none"><li>- Nature of work to be done</li><li>- Targeted customers</li><li>- Geographical location of supply</li><li>- Customer expectations</li><li>- The relationship with the supplier</li><li>- The relationship with customers</li></ul>	<b>GIPF</b> <ul style="list-style-type: none"><li>- Proper communication</li><li>- Financial and Human resources</li><li>- Staff skills and understanding</li><li>- Knowledge of the plan content</li><li>- Time frame</li><li>- Approach</li></ul>
<b>Rundu Town Council</b> <ul style="list-style-type: none"><li>- Human Resources</li><li>- Funding /finances</li><li>- Equipment/tools</li><li>- Comprehensive action plan</li><li>- Commitment by all stakeholders</li><li>- Motivation</li><li>- Management support</li></ul>	<b>City of Windhoek</b> <ul style="list-style-type: none"><li>- Human resource</li><li>- Financial resource</li><li>- Internal environment</li><li>- SWOT analysis</li></ul>

Figure 8: Factors To Be Taken into Consideration During Strategy Implementation

#### **4.4.3 Resources to be utilized during implementation**

Respondents at NORED believe that such resources includes:

- . starting capital;
- . manpower (human resources);
- . materials (stock);
- and equipments.

Whereas, at GIPF the following resources were considered:

- . staff capacity and readiness;
- . financial resources;
- technological resources

At Rundu Town Council respondents cited:

- . human capital
- . finances.

The Municipal Council of Windhoek- Electricity Department identified:

- . extra support people;
- . finances;
- the legal framework.

#### **4.4.4 Factors that influence the implementation process**

At NORED management believes that time, availability of resources, economic conditions, social political conditions as well as environmental factors have a direct influence in the implementation process. Some respondents elaborated further on political conditions. According to them sometimes politicians may use their political power, for instance, to obtain services free of charge or rather at a lower cost which may affect the income of the company at the end of the day. At GIPF management agreed that all factors with the exception of the environmental ones are crucial. They therefore cited the time and resources available as the top priorities. Since insufficient time allocation may prove obsolete and a lack of finances might inhibit the finalization of the project or plan. At the Rundu Town Council it is noted that the time scheduled, if not adhered to, may delay the implementation process. Management further identified resistance to change as one of the social factors that negatively influence the implementation process. Such resistance is normally registered both internally and externally. At the Municipal Council of Windhoek - Electricity Department, time and availability of resources were the only factors that influence implementation to be accompanied by a lack of commitment that negatively affects the results.

#### **4.5 Benefits and Challenges of Strategic Planning**

The following were identified as the benefits of long term planning:

- Defined goals and objectives;
- Clarity on what resources to use;
- Organized work schedules;
- Consideration of internal and external factors;
- Availing sufficient time for plan implementation;
- Rewarding and well planned results;
- Long term benefits resulting from well refined issues;
- Consistency in all activities;
- Benchmarking to measure one's performance;
- Better sustainability of resources;
- Giving a bigger picture of programmes and projects;
- Proper and timely consultation and
- Development of action plans that gives a direction to all involved; It helps organization to focus and be specific;
- Ensure commitment to goals achievement;
- Assist in defining organizational needs;
- Alignment of activities for better results;
- A clear direction;
- Improved service delivery;
- Direction towards mission and vision accomplishment;
- Avoiding ad-hoc administration;



- Monitoring development in a planned procedure;
- Productive work with satisfactory results;
- Comparison and continuous assessment and evaluation.

A number of issues and activities that challenges the strategic planning process were identified and summarized as follows:

- Planning within general legal and national regulations for example NORED with ECB, GIPF with NAMFISA, Municipalities with the MRLGHRD (this in short means it is very difficult for organizations with their own regulations to adhere and stick to general national rules in place whenever drawing their plans or rather ensure that they do not violate such rules).
- Operating within outdated laws and regulations for example The Pension Fund Act (Act no 56, 1956).  
(some regulations were never updated even after changes of government).
- Inadequate understanding of the organizational objectives and the environment in which the organization is operating.
- Unrealistic plan (immeasurable and unattainable).
- Lack of proper and effective communication amongst all actors.
- Lack of clear and well defined objectives.
- Difficulties in buying in by staff members and other stakeholders.
- Resistance to change.
- Imbalanced and unfair distribution of responsibilities
- Lack of proper assessment and evaluation mechanisms.

- Lack of motivation and adaptation by implementers.
- Inadequate financial and human resources. Losing focus of core business activities;
- Poor service delivery;
- Lack of direction and focus;
- Non-adherence to processes and procedures;
- No prioritizing;
- Lack of commitment to goals and objectives;
- Changes in projects and incomplete work;
- Lack of guidelines and double work;
- Demotivation and
- Failure to fulfill customer's expectations.

From the responses provided above, it is clear that all managers interviewed confirm their participation in the process as well as the need for their involvement in both strategy formulation and implementation. Managers can be seen as the rightful initiators of strategic planning in their respective organizations. Their success in leading this very important task can be challenged by a lack of understanding of their organization goals and objectives and losing direction towards their visions.

The practice of strategic planning is not of benefit to organizations only but to their beneficiaries, target communities and groups as well as all stakeholders who contribute to betterment of the operations of effecting strategic planning. Thus there is a need to

harmonize their operations and their communications. Such a harmonization will facilitate the development of ideas and accord people at the grassroots level and strategy beneficiaries to participate through their stakeholders and their representatives. It is significant to note that the process of strategic planning as provided in the second chapter should not limit the activities of strategic planning to that format only, since strategic plans are developed from a variety of political, social and economical backgrounds.

Respondents are in agreement that strategic planning is better when developed inhouse and communicated to all employees and other stakeholders on time. They further stated that strategic planning is a continuous process that looks at the past before focusing on the future. If practiced accordingly strategic planning will produce good results and add value to organizational performances.

#### **4.6 The Identified Strategic Plans and Employees Participation in the Process**

After analyzing the strategy formulation and implementation that was done with the managers of the four organizations under review, the general employees were consulted to identify the plans and narrates how the fit in the process.

The interviewed employees of NORED indicated that they were aware of their company's business plan that was formulated as from 2003-2004. As per responses recorded a number of plans were identified at GIPF. These were the succession plan, the document imaging system, strategic path for performance management - right, fast,

humane and a strategic plan document of 2002-2007. After critical analysis and in depth verification one can confirm that some of these are short term plans, programmes or projects operating within the framework of the main strategic plan of 2002-2007.

At Rundu Town Council employees identified more than one plan. These were the long-range physical structure plan, development policy zones, municipal services infrastructure and the Rundu Town Council strategic plan. Just like in the case of GIPF some of these are also short-term programmes and projects within the Rundu Town Council strategic plan.

With regard to the Municipal Council of Windhoek the findings are different, since the analysis was done at a departmental level, namely the electricity department. As stated earlier on, they have both internal and external plans. Those that are referred to or rather those which the research concentrated on, namely internal plans that contribute to the City of Windhoek local development strategy. These are therefore the strategies on provision of basic services and maintenance of infrastructure as well as crime prevention and law enforcement. Respondents further identified their internal strategy known as secure and reliable pre-payment vending system plan as one of their departmental strategies that contributed toward the City of Windhoek's local development strategy.

It is clear from the responses recorded above that some of the interviewees are either not aware of the strategic plans in place in their respective organizations or they do not know

the difference between the strategic plans, developmental programmes and any other plans. For example the responses received from GIPF and Rundu Town Council.

According to the respondents at NORED they knew that the plan was formulated in their presence while they came to know about it during the brainstorming sessions that took place and they were part and parcel of such sessions. They are also aware that management spearheaded both the formulation and implementation of such plans.

As stated earlier on a number of plans were identified at GIPF and Rundu Town Council hence, responses recorded in those cases differ and are based on different plans. The succession plan at GIPF according to the response received was formulated and completed in June 2003 with representative from all departments and units coming together and consult. The plan was formulated by the Human Resources Department together with the representatives referred to above and the same department leads the implementation of this plan.

The other plan is that of Document Imaging System (DIS). The plan was initiated by staff within the Benefits Administration department and formulated by middle management and submitted to the executive management and the Board of Trustees for approval. It was then implemented by the initiators after approval. While the strategic path for performance management was formulated on 30<sup>th</sup> September 2004 by executive management and trustees and it is still executive management and trustees who will direct its implementation. The last plan identified at GIPF is the Strategic Plan of 2002-

2007 that was formulated in 2001 by management and likewise it is remains the responsibility of management to implemented it.

At the Rundu Town Council, the physical long range plan was formulated in April 2000. The Rundu Town Council strategic plan was formulated in 2003 as per respondents. It was done through a brainstorming session held between the head of departments of the town together with divisional heads and assistance from the line ministries such as the MRLGHRD and NPC. The plan was implemented by the town management.

The strategy on provision of basic services and maintenance of infrastructure as well as crime prevention and law enforcement together with the secure and reliable vending system plans from the Municipal Council of Windhoek electricity department, were formulated in 1997 According to the respondents they came to know about it after joining the institution since they were all employed after 1997.

The assertion here is that all interviewees are aware of who formulated strategic plans in their respective organization. They also know who is responsible for the implementation of these strategies. This will make it easier for them to consult the relevant people for clarity and further information about those plans.

According to respondents at NORED the strategic plan was formulated by a team that consisted of management, general employees, stakeholders and external experts from Electrical and Mechanical Consulting Engineers of Namibia (EMCON).

In the case of GIPF it was mentioned earlier that different plans were identified. Resulting from this the formulators and implementers involved in the process were identified. The succession plan was formulated by the Human Resource department (HR) in consultation with representatives from the other three departments. However, the implementation of the plan remains entirely in the hands of the HR department. The document imaging plan was formulated by middle management approved by executive management and trustees respectively and implemented by the initiators, while the GIPF strategic plan was formulated by management through the input made by various departments within GIPF. The implementation is done at departmental level as spelled out to various departments for action.

Respondents at Rundu Town Council elaborated that the strategic plan was formulated by a team made up of representatives the form Rundu Town Council, Urban Dynamics, Stewart Scott, Architex, Lux-Development and MRLGHRD. Afterwards it was implemented by the Rundu Town Council.

Though they were not present during the formulation of the strategic plans, the respondents at the Municipal Council of Windhoek Electricity Department know that the plans were formulated at the executive management level and are being implemented by respective department. Many of the responses recorded prove that the formulation of the strategic plans was done by management while the implementation have to be spearheaded by technical experts.

Respondents at NORED believe that fair consultation was done with everybody and such consultations were made through the departmental heads. As for the GIPF, the respondents were consulted during the formulation of the plans by management. They further indicated that the consultations already started at the formulation stage. At Rundu Town Council the respondents came to know about the plans only during formulation. They indicate that they were consulted by various formulators and by consultants at the informational meetings of the formulation process. The consultants referred to are the ones that the council hired to facilitate the strategy formulation process. All of the interviewees at the Municipal Council of Windhoek confirm that their predecessors were consulted by general management during formulation. They also pointed out that it remains the duty of general management (strategic executive) to direct the implementation of the plan and consult employees whenever necessary.

One can deduce from the information provided above that the strategy planning process can be participated by the employees in their respective institutions since the consultation and proper communication was carried out amongst employees.

All responses received from employees indicated that the plans formulated at their respective organizations are responding to the needs and problems of their target groups. According to them this can be proven and was authenticated by intensive analysis and researches that were carried out prior the implementation.



At NORED those interviewed indicated they felt that everybody should participate fairly and equally in the entire process, as the success of such plans depend and call for total commitment of everybody irrespective of their position and level of participation and input. However mixed feelings were recorded at GIPF where some respondents felt that everybody should participate at all levels whereas others felt that everybody should buy in during the formulation phase while during, implementation they only need to give their support. Others felt that management should formulate and everybody should participate in the implementation while the last group believes that everything should be done by line management and supervisors.

In the responses recorded at Rundu Town Council it was stated that all employees, management, town councilors, community development committees, business communities, consultants and other community representatives should participate in both formulation and implementation. This should be done in order to direct the activities and cater for their interests inputs.

The interviewees at the Electricity Department of the Municipal Council of Windhoek shares the same sentiments with some respondents from GIPF that only middle and top management should participate in the formulation and implementation processes.

NORED employees interviewed felt that the strategic plan helps them to know what they are striving to achieve in consideration of the duties and responsibilities at hand. At GIPF

the respondents feels that the plan gives more focus and awareness as to what is expected from them, when and how to do it and gives direction towards achievement of common goals. Rundu Town Council interviewees confirm that the strategic plan assist them in setting priorities. They also regard it as a control mechanism for all activities taking place. At the Municipal Council of Windhoek the respondents confirmed that the plan assist them in setting priorities and direct them in formulating their tasks.

#### **4.7 Conclusion**

In analyzing the responses provided above either from management or the general workforce one can claim that there is a lack of consistency between the normative strategic plan and the actual processes within these organizations. For instance, the documents indicate all procedures and mechanisms were followed, while the actual happening differs. A distinct example can be based on a GIPF experience where everybody is consulted for their input during strategy formulation. But after approval the strategy document never reaches the masses and all those consulted before also happen to be the implementers of such strategy. Upon further investigation, executive management felt that it is the responsibility of line management to filter down these documents through their divisions and units. Whereas middle management felt that there is no clear guidelines and mandate for them to do so according to three executives interviewed during the research. This proves that the intentions of strategic planning can be good but if there is a lack of proper coordination the goals and objectives of the plan may not be achieved. No one can expect a plan to be implemented by those that are not familiar with it.

## **Chapter 5**

### **Conclusion and Recommendations**

#### **5.1 Conclusion**

Good planning is what any organization is striving for. These organizations can be private, public organizations. Strategic planning becomes popular as it was the first of its kind that was future oriented as well in terms organizational goals and objectives.

Planning has always existed but something important has been missing and that is how to do it. This includes where to focus and what steps to follow to get there. Strategic planning provides proper guidelines to the entire planning process.

Strategic planning is gaining momentum in Namibia just like in other countries. It is significant to note that all strategic plans in place at all the institutions that were analyzed, were only developed after independence in 1990. Due to the fact that strategic planning is a new concept to the Namibian environment and its operations is just developing in the Namibian context, there is still a long way to go before it is practiced effectively. As per strategic planning documents analyzed, the procedures of strategy formulation are followed and the intentions provided in those documents are excellent. One cannot rule out the fact that some stakeholders or even employees in general are left when the plans are being formulated or during the implementation stage. The research problem as outlined in the first chapter 1(one) that of “Ineffectiveness in strategy formulation in most cases is accompanied by lack of efficiency in implementing such plans” can be proven to be right to a certain extent.

General procedures in the strategy formulation process followed in most cases for example the SWOT analysis that was undertaken. Thus very good strategic documents were compiled. It is also significant to note that the issue of proper consultations was not always carried out effectively.

It is a fact that where strategy formulation was seen to be participatory and inclusive, serious shortcomings were recorded at the implementation stage. For instance, some general employees interviewed are not aware of their organizational strategic plan documents. However at GIPF and Rundu Town Council they could only refer to the divisional strategy documents.

In terms of implementation some of the organizations under review failed to identify the rightful actors and stakeholders who are suppose to be part of the implementation team. They however, managed to identify the kind of resources and mechanisms that will make the implementation a bit easier for instance finances, human resources skills and expertise as well as a conducive environment were cited as the most crucial ones.

Another concern is that of the goals and objectives of the research undertaken during the strategy formulation process. These are intended to critically analyze the processes of strategic planning in given organizations for example when it is done, by whom, how and the kind of resources required. These were all addressed as per chapter 3, 4 and 5, respectively.

In the organizations analyzed the planning processes did not go according to the general steps of strategic planning process. The challenges and problems that can be encountered in the process are also spelled out with a lack of participation and proper coordination being the burning issues.

The other crucial objective namely that of analyzing the participation and involvement of junior staff is also referred to above. The final and most important objective was to determine if strategic planning help in meeting organizational goals and objectives. Most of the interviewees especially at management level confirm that strategic planning is the only and best mechanism that assists them in meeting their goals and objectives.

One can therefore conclude that strategic planning is being practiced in all organizations researched namely NORED, GIPF, City of Windhoek and the Rundu Town Council. There are few things that need revisit and improvement. To make it possible for the planners to attain their objectives.

## **5.2 Recommendations**

### **Recommendation 1**

Focal persons concerned with strategic planning need to be identified within organizations, because management would not have enough time to handle thorny and specific issues pertaining to strategic planning. Their role is more general and there should be someone or even more people who can assess the organization at all levels and who can carry out analysis and comparative studies while at the same time is familiar

with the environment within a given organization. Consultants hired to effect these cases are not familiar with the operations and activities of the organization and could not obtain the right information and approach right people who can contribute positively to the plans.

#### Recommendation 2

Strategic planning seminars and workshops should be undertaken by all stakeholders. This will assist in taking everybody through the procedures and requirements of strategic planning. It will also assist in sensitizing the general employees on the importance of their contributions to such documents.

#### Recommendation 3

The role of management namely the Board of Directors and Town/City Councillors should be redefined in terms of strategic planning. Since they sometimes fail to carry out their responsibilities and effectively and efficiently they might blame other stakeholders whenever goals and objectives are not met. There should be a fair distribution of labour and responsibilities from the top to the bottom to avoid crisis management, role conflict and ambiguity, which do not feature in the activities of strategic planning.

#### Recommendation 4

The most crucial point in the entire process of strategic planning is that of identifying actors and all stakeholders in the process. Hence, there should be a competent team consisting of all role players including beneficiaries and consumers who are to be

targeted by the strategy to be formulated. For instance, if an organization is strategizing on how to distribute electricity effectively or planning on an improved system of distributing pension benefits there should be a representative from the electricity consumers and pensioners. This should be done in consideration with the general employees who reach out to those consumers and pensioners and are familiar with their living conditions and the environment which they live in.

#### Recommendation 5

The general workforce or employees at all levels should be given a fair opportunity and necessary tools in order for them to participate fully and add their views to the plan that they will be required to implement.

#### Recommendation 6

Environmental scanning and cost benefit analysis should be carried out at all times before any plan is effected. These determine the viability of a plan its sustainability and survival in unfavourable climatic and financial conditions.]

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## APPENDIX

### Strategy Formulation and Implementation in Selected Public Institutions (Management Cadre Questionnaire)

1. Are involved in strategy formulation at your Organization?

Yes		No	
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If yes, how do you contribute to strategy formulation?

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2. Who are the stakeholders in strategy formulation process?

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3. How are the communication channels of the process?

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4. Does the process take into consideration your institutional goals and objectives?

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5. What are the important things to be taken into consideration during the strategy  
formulation?

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6. Who are consulted during the strategy formulation,

- A) General employees
- B) Departmental/unit/ divisional supervisors
- C) Middle management
- D) Top management
- E) Consultants

7. Do you involve other people outside your company/ institution in the process?

Yes		No	
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If the answer is yes, who are those and how do they get involved.

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8. How long does it take for the strategy to be implemented after formulation

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9. Who are the stakeholders in the implementation process?

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10. What exactly need to be taken in consideration during strategy implementation?

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11. What are the resources required in the implementation process.

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12. Do any of these influence the implementation process and please state how?

- A) Time
- B) Availability of resources
- C) Economic conditions
- D) Social and political conditions
- E) Environmental factors

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13. How does one determine that the implementation process is complete and what are the indicators?

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14. Do the plan/ strategy communicated to recipients/ beneficiaries?

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15. Do you involve the services of Consultants and other external experts in both the strategy formulation and implementation phases?

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16. How long does such plans last?

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17. When such plans/ strategies lapses or expired. how do you proceed

Do you start afresh....., build on what is in existence.....,

18. List the benefits of long term planning?

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.....

19. What in your opinion appears to be the critical challenges in the process of strategy  
formulation and implementation?

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**Strategy Formulation and Implementation in Selected Public Institutions**  
**(General Workforce Questionnaire)**

1. Are you aware of any long-term/ strategy plan in your company/institution?

Yes		No	
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2. If yes please state which one?

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3. When was the plans formulated and when did you got to know about them?

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4. Who formulated and implemented such plans?

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5. Were you or any of your colleagues consulted in one way or another during the  
strategy formulation phase:

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6. If so when and by whom?

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7. From your point of view does the plan respond to the need and problems of its target?

Yes		No	
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8. What do you think need to be taken into consideration during the long-term/strategy formulation process?

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9. In the future who do you think should participate in the formulation and implementation of plans?

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10. How do you view about strategic/long-term planning at your institution/company?

A) Participatory

B) Exclusive

11. Please expand on the answer chosen above?

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12. How does such a plan assist you in accomplishing your daily tasks and responsibilities?

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13. What are the benefits of having a strategy/plan in place?



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14. What are possible shortcomings to be encountered in the absence of strategic planning?

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15. General comments on the planning process and strategy formulation in your company?

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