A SURVEY OF THE APPLICATION OF KOTTER'S MODEL OF STRATEGIC CHANGE LEADERSHIP IN THE INSURANCE INDUSTRY IN KENYA

By:

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A Management Research Project Report Submitted in Partial Fulfillment of The Requirements for The Award of The Degree of Master of Business Administration, School of Business, University of Nairobi

October 2006

Declaration:

This management project is my original work and has not been presented for a degree in any other University.

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This management project has been submitted for examination with my approval as University supervisor.

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Dedication

This project is dedicated to my parents who have made numerous sacrifices to give me an opportunity to achieve my thirst for knowledge.

Acknowledgements

I wish to acknowledge my parents C.K Okemwa and Helen Kerama for their overwhelming support when undertaking my coursework and project. Thanks for making my dreams for furthering my education a reality.

I wish to recognize my supervisor Dr. Ogutu for his excellent guidance and direction when I undertook the project. For his overwhelming support, patience and availability.

Special thanks to my brother Leo Kerama who facilitated my beginning the MBA program and for supporting me throughout in various aspects as well as proof reading my project.

My gratitude is extended to my sister Cheryl Kemunto for her support in typing the MBA project.

Thanks to my friend Mildred Gesare who assisted in drawing up a financial plan for the MBA program and encouraging me to start it at UON.

I am indebted to my colleagues at work who assisted in my duties while I took time off to consult with my supervisor and to collect data for analysis.

Thanks goes to all the Insurance companies who responded to my questionnaire by filling it in to facilitate the data analysis and findings for the project.

I extend my gratitude to the MBA classmates who shared experiences during coursework, which was an addition to my breath of knowledge and experiences and for the gruelling times we went through in coursework.

Thanks to my other family members who have always been there for me as I went through the tough journey to higher education.

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Abstract

This study sort to determine the application of Kotter's model of strategic change leadership in Kenya's Insurance Industry. The researcher felt that this eight-step framework of Kotter would offer a more comprehensive analysis in the area of strategic leadership in the insurance sector in Kenya. The rationale of the study arose out of the dynamic nature of the insurance industry, which is changing rapidly to accommodate changes in the external environment.

Primary data was collected using open ended, closed ended and matrix type of questions for a census study of forty-two insurance companies. Data was therefore analyzed using descriptive statistics through the use of mean scores, percentages and frequencies. The analysis revealed that the insurance companies that were studied use all aspects of Kotter's model in varying degrees.

In managing organizational change, a critical aspect according to Kotter(1996) is the leadership of organizations. He notes that the challenge today is that change is not an 'engineering' problem. It involves people and can call up emotions, uncertainties and inconsistencies. Therefore simply managing change is insufficient. Successful change requires leadership.

Chapter One

Introduction

1.1 Background

In the western world, after the Second World War, there was a drive to improve efficiency. Organizational theorists followed into the footsteps of Frederick Taylor in their attempts to define organizational effectiveness in terms of a scientific approach to the management of organizations (Appelbaum, St-Pierre and Glavas, 1998). This closed system approach (where the environment was ignored) resulted in control-oriented organizations with complex structures and simple, routine, monotonous tasks (Volberda, 1992). This approach to the management of organizations dehumanized the nature of work and subsequently favored the emergance of the human relations approach to the management of organizations (Appelbaum, St-Pierre and Glavas, 1998). As Adam Smith and Karl Marx pointed out the "... simplification of work processes beyond a certain point could have diminishing returns and produce feelings of alienation of workers" (Vecchio and Appelbaum, 1995).

In the 1970s the market place demanded quality in products and services. Organizations had to distinguish themselves from their competition through excellence as markets opened up and competition became fierce. In today's globalized environment, the ability of organizations to respond to micromarkets' demands, where choice to the consumer is preponderant, will depend on their ability to be flexible (Appelbaum, St-Pierre and Glavas, 1998). The transitory nature of market demands is an important reason that change and flexibility ought to be a defining characteristic of organizational effectiveness (Volberda, 1992). Therefore, from an organizational perspective flexibility can be defined as the ability to react to change.

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In the 1970s the market place demanded quality in products and services. Organizations had to distinguish themselves from their competition through excellence as markets opened up and competition became fierce. In today's globalized environment, the ability of organizations to respond to micromarkets' demands, where choice to the consumer is preponderant, will depend on their ability to be flexible (Appelbaum, St-Pierre and Glavas, 1998). The transitory nature of market demands is an important reason that change and flexibility ought to be a defining characteristic of organizational effectiveness (Volberda, 1992). Therefore, from an organizational perspective flexibility can be defined as the ability to react to change.

In today's turbulent environment of organizations, change has become synonymous with standard business practices as long-term organizational ends have to be reformulated on an ongoing basis (Appelbaum, St-Pierre and Glavas, 1998). A range of both external and internal factors is responsible for triggering this change (Senior, 2002). Ivancevich and Matteson (2002) identify technology, economic forces, and socio-political and legal factors as important external drivers of organizational change. They argue that these forces for change are beyond management's control and cause a significant shock provoking the organization to adjust internal processes and systems.

In terms of external factors, the insurance industry in the Eastern African region has been affected greatly by the incidence of global terrorism, which has necessitated increased premiums and/or new products due to increased business risk; macroeconomic trends such as formation of regional blocks (the emergence of the East African Community) although this incidence is more defined in Europe (the European Community) and North America (North American Free Trade Association); and in Kenya changing consumer needs and increased awareness; technology and a changing regulatory environment.

Ivancevich and Matteson (2002) maintain that human resource issues and process considerations are the most common forces for change within the organization. They argue that internal factors are generally within the control of management, but can sometimes be more difficult to recognize and diagnose than external factors. Graetz (2000) identifies a growing knowledge workforce as being a crucial internal dimension that propels change. It is instructive to note that Vecchio and Appelbaum (1995) identify new company leadership as among the most common and influential forces of organizational change. Both these factors have been observed in Kenya and other parts of the world as playing crucial roles in initiating and propagating change in the insurance sector.

1.1.1 Change Management in General

The role of leaders and top management teams and the nature and level of power, which they possess, perform an important role in negotiating organizational change. A summary of organizational change models by Cummings and Worley (1993) identifies the role of strong leadership as critical to the successful implementation of change. They maintain that leaders need to develop a commitment and readiness to change, create a vision by describing the outcomes of the change and develop political support by addressing the power and influence dynamics of the proposed change.

Similarly, Francis (2003) argues that leaders need to bring into existence the new reality within which subordinates frame the new changes within the workplace. Such perspectives recognize that leaders need to use power constructively in encouraging commitment and preparing employees for the challenges inherent in the change process. C onversely, the misapplication of power can result in the failure of change processes and can have disastrous consequences for the organization. Increasingly, top management teams are playing an important role in the change management process.

Katzenbach and Smith (1998) maintain that top management teams can deliver superior performance through shared leadership roles, individual and mutual accountability, collective work products and clear specificity of purpose. However, Rimmer (2002) argues that teams are frequently used to camouflage coercion with the appearance of cohesion, conceal conflict with the appearance of consensus and convert conformity into the appearance of creativity.

1.1.2 Concepts of Strategic Change Leadership

In recent years the study of top executives has become an important research strand within the field of strategic leadership, as researchers have attempted to understand the role of human factors in strategic choice, organizational design, and performance (Finkelstein and Hambrick, 1996). In relation to their roles, executive personalities and experiences can affect organizational outcomes (Bantel and Jackson, 1 989). There e xist different schools of thought regarding strategic behaviour in leading change. One group of strategy researchers, for instance Porter (1980), tends to assume that executives can largely comprehend their strategic situations and will pursue actions that logically follow from the contextual situations they face.

Other groups of researchers like Cyert and March (1963) tend to adhere to assumptions of bounded rationality: the premise that executives face too many stimuli and are under too much pressure to be able to comprehensively and accurately weigh their objective situations. Instead, according to these scholars, executives filter and interpret the overwhelming stimuli confronting them either by relying on their personal experiences and repertoires (Hambrick and Mason, 1984) or by imitating the actions of others (DiMaggio and Powell, 1983).

Easley and Swain (2003) observe that inherent in the concept of change itself entails an obligation to challenge beliefs and interpretive schemes to accommodate emerging realities. As such, Julius *et al*. (1999) argues that when engaging in organizational change, leaders must motivate others to change and such motivation must be perceived as inspired by the values of integrity, wisdom and selflessness. They suggest that such values are not essential for leadership, but that if leaders intend to engage in organizational change, a perception of sincerity, honesty and fairness is vital.

1.1.2 Kotters Eight-Step Model of Strategic Change Leadership

Kotter (1995) developed a model for leading change that offers a valuable tool to project management professionals. He observed the myriad difficulties associated with change efforts, distilled the common themes and turned them around into a prescriptive framework.

1. Establish a Sense of Urgency

First, leaders must establish a sense of urgency. Leaders should examine market or competitive realities and identify an urgent need in terms of a crisis, potential crisis or great opportunity. People must have a reason, and a really good one at that, for doing something different. This is a critical first step.

2. Elicit Executive and Peer Sponsorship

The second step is to form a guiding coalition. Change cannot be directed through the existing hierarchy. It must be nurtured and supported by a dedicated group of influential leaders throughout the organization.

3. Create a Vision for Change

Third, leaders must create a vision. Once people accept the urgency, they want to know where they are going-they want a clear direction to a better future. Without a vision, the change effort can dissolve into a series of incompatible projects that start to look like change for change's sake.

4. Communicate the Vision

Kotter suggests that leaders should be able to communicate the vision in five minutes and elicit understanding and interest. If not, they should rework the vision. Communicate Vision to Implement Change. Leaders must communicate the vision through their actions.

5. Empower Employees to Implement Change

The second element of the model includes three steps. This is the action element, and the first step is to empower others to act on the vision. Leaders must clear the way for employees to develop new ideas and approaches without being stymied by the old ways.

6. Establish Short-term Goals

The second action step is to plan for and create short-term wins. People will not follow a vision forever. Employees must see results within 12 to 24 months or they will give up or perhaps even join the naysayers. Short-term wins validate the effort and maintain the level of urgency.

7. Encourage Additional Changes

The third step arises from the second: consolidate improvements and produce still more change. Short-term wins must be stepping-stones to greater opportunities and bigger wins, all consistent with the vision driving the overall effort.

8. Reinforce Changes Made as Permanent

The third element is a single step. Having made effective changes, leaders must now make the changes permanent. The forces of recidivism are still alive and well. Leaders must connect new behavior with corporate success, showing that the new ways are here to stay.

1.2 The Insurance Industry

The insurance industry is in a state of flux. As noted earlier, macroeconomic trends have influenced the insurance sector such regional integration (East African Community), mergers and consumerism. These changes have transformed economic models with an emphasis on earnings. Insurers are under continuous shareholder pressure to increase market share and wallet share, i.e. share of disposable income; market forces such as the need to grow market share, provide services, expand distribution capabilities and improve operational efficiency have continuously pressured many insurance organizations locally to look for synergetic acquisitions and shed unprofitable or non-core business.

In terms of globalization, global insurers have assumed a much higher profile within the overall insurance environment, have increased financial sophistication and the market for "alternative risk transfer" has become huge changing the way conventional insurers do business and there will be enormous scope for sophisticated go-betweens offering specialist solutions to financial risk problems. As a direct consequence, globalization is also leading to the harmonization of accounting and governance standards; and moreover foreign capital providers are in a position to demand transparency in the organization's transactions.

Global terrorism has also increased business risk, in particular Kenya and Tanzania, have been terrorist targets in the recent past, and Kenya in particular has reported high levels of terrorist activity severally. Convergence, due to disappearing or evolving regulatory barriers, has paved the way for all segments of the financial services industry to sell similar products and services. For instance, banks are well positioned to utilize their vast customer bases and distribution channels to cross-sell insurance products. Finally, technology has helped reduce the transaction cycle time, bypassed or eliminated elements of the value chain, automated internal processes, extended the virtual supply chain; and reduced costs of distribution, documentation and transactions.

From the above, it is obvious that the insurance industry is one that is changing rapidly. As such, this would make it a good area to research on in relation to strategic change; "How have the leaders handled the changing environment?"

1.3 Statement of the research problem

Against a backdrop of increasing globalization, deregulation, the rapid pace of technological innovation, a growing knowledge workforce together with shifting social and demographic trends, few would dispute that the primary task of management today is the leadership of organizational change (Jackson, 1997). Key words in the lexicon of the newly emerging organizational models include novelty, quality, flexibility, adaptability, speed and experimentation. In view of these requirements, the traditional organizational structure, with its hierarchical, top-down approach, centralized control and historically entrenched values of stability and security, is an anachronism. The impetus now is towards flatter, more "flexible and agile organizational forms" (Bahrami, 1992) in which the boundaries are "fluid and permeable" (Useem and Kochan, 1992).

These changes have triggered a radical shift in the role of senior managers from the traditional authoritarian, command and control style focused on the technical or operational dimension of management, to a more open, participative management style. With the emphasis now on cooperation, collaboration and communication, managers need to hone a completely different range of leadership skills. However, to be effective leaders in an environment of change and flux, a second, interpersonal dimension becomes critical (Goleman, 1998).

Kotter(1996) notes that the challenge today is that change is not an "engineering" problem. Change involves people, and can call up emotions, uncertainties and inconsistencies. Therefore, simply managing change is insufficient. Successful change requires leadership.

There are a number of other related models of organizational change that have been developed and each of them emphasizes different approaches to understanding the change process. For example, Jick's 10 step model(Jick, 1991) and General Electric Seven step model (Garvin, 2000) are similar strategic change thinkers to Kotter.

Kotter's model is the most appropriate for this research because it makes a clear distinction between management and leadership. Management is a set of processes that keep a complex system running smoothly. But leadership defines the future and aligns people with that future. Kotter argues that too much emphasis is placed on managing change and not enough on leading the change..(Kotter, 1996).As such, Kotter's model becomes a good area of research in relation to strategic change. " What is the extent of its application to the Insurance Industry in Kenya?"

As Rice (2001) notes, as we proceed through the early part of the twenty-first century, the winners in the insurance industry are those who will add value. They know what business they want to be in; focus on long-term revenue growth; are cost-effective; organize around the needs of the customer; attract and retain the right people; develop alternative distribution channels and invest appropriately in technology. These will require strategic change leadership if at all they are to succeed; as such the purpose of this study is to establish the extent to which Kotters model of leading change applies in the local insurance industry in Kenya.

In the area of strategic change leadership, Nderu (2005) conducted a study of firms listed on the Nairobi Stock Exchange whose theme was corporate leaders perceived and actual roles in strategic change:. There are other numerous studies conducted in the field of strategy such as strategic responses and competitiveness. However, to the best of the researcher's knowledge, there is no study that examines the aspect of strategic change leadership in Kenya's insurance industry. This is the gap that this study seeks to fill.

1.4 Objectives of the Research

a. To determine the extent of application of Kotters model in the insurance industry in Kenya

b. To determine factors influencing application of Kotters model in the insurance industry

1.5 Importance of the study

a. The research will be of importance to management in the insurance industry in helping them understand Kotters model of strategic change leadership and how it applies in their industry.

b. The study will also be of interest to investors, customers and other stakeholders in the insurance industry who may want to base their investment decisions on the change leadership style of the various companies in the insurance industry

c. The study will contribute to the wider body of knowledge both in academic and research, in the area of strategic change leadership

Chapter Two

Literature Review

2.1 Introduction

This chapter will review the concept of strategic change leadership in greater detail. In particular, the expectations of the leadership will be reviewed. Also, the review will elaborate on the concept of strategic change e.g. what makes change necessary, how change is brought about, need to implement change properly and challenges in implementing the change, such as resistance to change. Factors that influence application of the model in general and Kotter's approach in particular will be looked at. Other models of strategic change management will receive a brief mention. Finally, the research will also examine practical instances of application of Kotter's and other change management models.

2.2 Leadership and change management

In studies of leadership behavior, there has historically been a belief in a universal manager who could adapt to any situation (Bass, 1985). Another stream of research has suggested that different leaders have different characteristics and the leader should be matched to the organization's needs. This approach is reflected in Fiedler's Contingency Theory of Leadership Effectiveness (Fiedler, 1967).

These contingency or situational theories propose that effective leadership depends on the situation and that some match between the leader behaviour and the situational characteristics of the organization and followers is optimum (Hersey and Blanchard, 1977). "The focus in situational approaches to leadership is on observed behavior, not on any hypothetical inborn or acquired ability or potential for leadership. The emphasis is on the behavior of leaders and their group members (followers) and various situations" (Hersey and Blanchard, 1993, p. 116).

Consistent with the contingency or situational models, other writers have suggested we should match managers to the strategic needs of the firm (for instance Life, 1986). Efforts of these scholars have focused on identification of the company situation and characteristics of the strategy that must be implemented. Writers have then attempted to match these to characteristics that a leader must have in order to successfully implement the organizational strategy.

Burns' (1978) proposes the transformational leader "style" encompassing the following behaviours and traits: empathy, need for power, good rhetorical skills, intelligence and consideration for others. The effect of this leadership style is that it inspires or motivates followers, gains commitment from followers, changes attitudes, beliefs, and/or goals of individuals, changes norms of the organization, makes subordinates feel they are being treated as individuals, helps individuals see problems in new ways, communicates and transmits a vision of the organization. Burns sees the transformational leader as reflecting the traits and behaviours that are necessary for initiating change. These are the same effects of the charismatic leader (Bass, 1985).

Some writers indicate that charismatic leaders can fail at turnaround strategies. For example, Nadler and Tushman (1989) believe that charismatic leadership is necessary but not sufficient for strategic change. They postulate that charismatic leadership must be accompanied by instrumental leadership (leader behaviors which are instrumental in implementing the change), without which the charismatic leader will fail.

So while theorists like Anantaraman (1993) suggest that strategic change of an organization is so completely encompassing that it requires charismatic leadership to be successful, Nadler and Tushman (1989) believe that charismatic leadership alone is not enough. Indeed, Meindl *et al*. (1996) suggest that we have come to idealize and romanticize the abilities, accomplishments, and impacts of leaders.

Gerstein and Reisman (1983), on the other hand, identify the main organizational needs for a turnaround as rapid, accurate problem diagnosis and correcting short-term and long-term problems. They identify the traits and skills required of a leader as being: strong analytical and diagnostic skills, a high energy level, be an excellent business strategist and risk taker, handle pressure well, have good crisis management skills, and be a good negotiator.

Finally, many organizations are also creating teams of employees to accomplish work goals. These companies give increasing amounts of responsibility to these teams by allowing them to be self-managed or assigning them the authority to plan and implement strategic change (Emery and Purser, 1996). As organizational designs move away from bureaucracy and toward democracy and the use of teams, we must look at the effectiveness of this design in planning and implementing strategic change for entire organizations. Teams are often effective at adapting to rapidly changing environments (Barker, 1993).

2.3 Strategic Change

The world has grown increasingly complex, resulting from the greater interdependence among world economies. At the same time, the world has become increasingly dynamic, resulting from the information explosion and worldwide communications. This *dynamism* and *complexity* means that organizations cannot remain stable for very long. Rather, constant change on the outside requires constant change on the inside. Success is largely determined by how well the organization adjusts all its tangible and intangible properties to keep itself on track with its surrounding (Tichy, 1983).

Hoffman (1989) characterizes a turnaround as a cycle during which the firm shows declining financial performance followed by a recovery. Hoffman reviewed 17 studies of corporate turnaround strategies and noted that the strategies typically involved one or all of the following components: restructuring of leadership and the organization/culture, cost reduction, asset redeployment, a selective product/market strategy and repositioning.

One widespread and widely acknowledged typology of strategic change categorizes forms of organizational change according to different dimensions. A first dimension is the intensity of change, ranging from *no change required* to *radical renewal* of the company (Fopp and Schiessl, 1999). In this context, Nadler (1994) differentiates between incremental and radical change. The second dimension is the chronological positioning of the change. Here, a difference is made between anticipative and reactive change processes.

Using these two dimensions, Nadler draws up a matrix in which he positions the basic types of change of company strategy. In so-called tuning, future environmental developments are anticipated to increase company efficiency. In contrast to this, adaption means the adaptation of the company to the environmental changes. What tuning and adaption have in common is that the change is evolutionary and starts off in subsections of the company. If the whole company is restructured anticipatively through fundamental transformation, we speak of a reorientation. The alternative to this is reactive redesign, in which environmental changes are reacted to which have already taken place (Nadler, 1994).

Wong (2005) derives the strategic change into three phases: phase one-strategic change identification; phase two-strategic change prioritization and phase three-strategic change implementation. Chorn et al. (1990) observe that the need of change mainly responds to new challenges or opportunities presented by the external environment, or in anticipation of the need to cope with potential future problems, threats, of the environment. Planned change represents an intentional attempt to improve, in some important way, the operational effectiveness of the institution. The institutional and unit strengths and weaknesses have to be analyzed to match with the change process. The strategic change formulation process would follow the SWOT analysis as well as being checked against alignment elements.

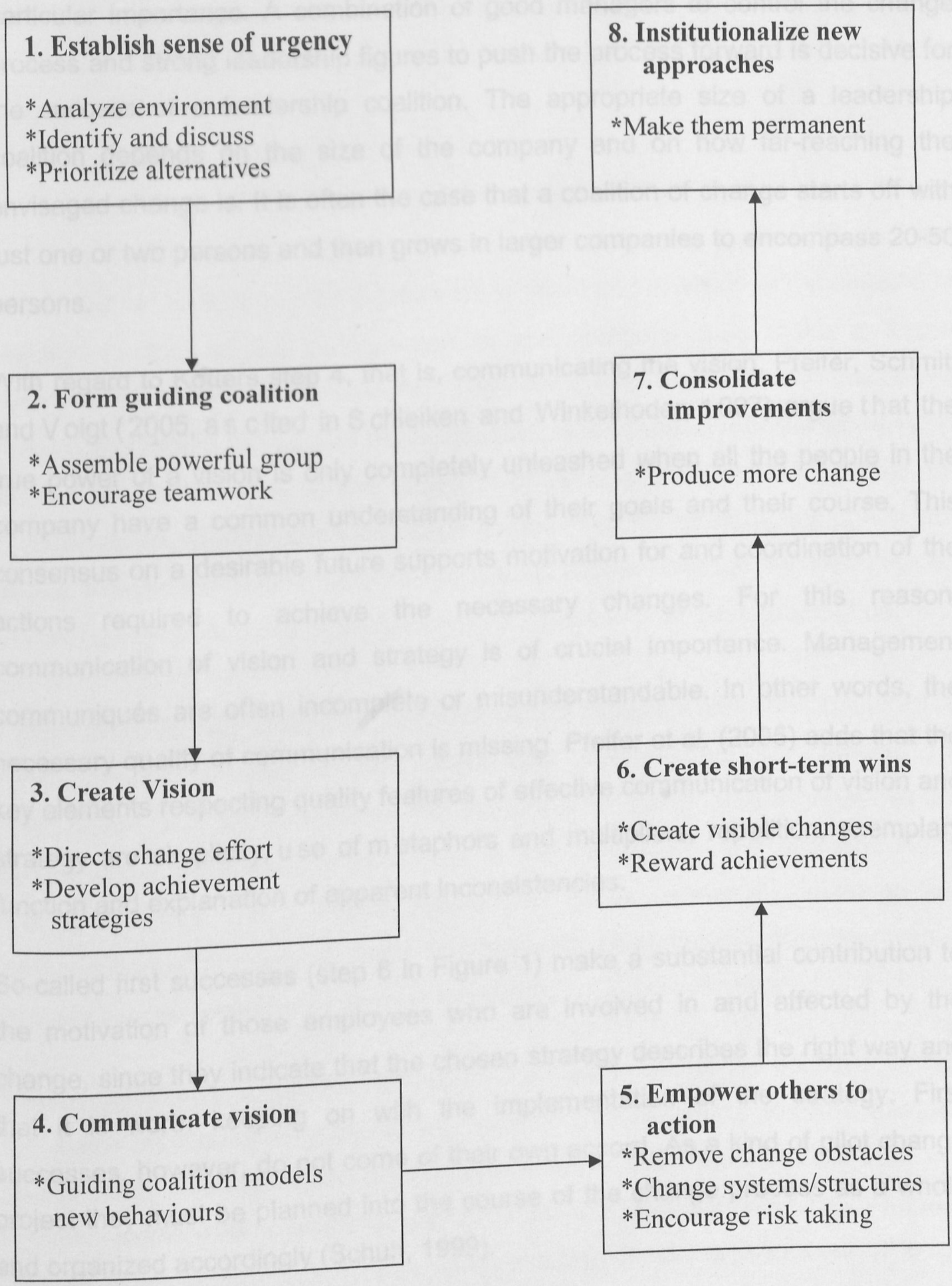
2.3.1 Managing Strategic Change

Mento, Jones and Dirndorfer (2002) argue that it is important as the starting point of a change effort to highlight the idea for what needs to be changed or what new product should be introduced or what particular innovation might bring a significant lead over competitors. A source for ideas for improving the organisation can arise through creative tension (Senge, 1990).

Senge further notes that creative tension evolves from clearly seeing where the organization wants to be, its vision and telling the truth about where it is now, its current reality. The gap between the two generates a natural tension. In an interview (Tichy and Charan, 1989), Jack Welch similarly notes a key characteristic of any leader is to first face reality. This is in agreement with step 1 of Kotters model-establishing a sense of urgency-as depicted in Figure 1 below.

Under step 2, Kotter (1997) notes that significant transformations are often associated with one particular personality who is clearly prominent in the minds of all employees. However, even the mightiest CEO cannot develop the right vision and implement it throughout the enterprise on his own. A strong leadership coalition is indispensable. For this reason, the formation of such a leadership coalition is always an essential component in preparation for the development and subsequent implementation of a strategy. In order to select suitable members of the coalition, good features such as expertise, credibility, authority and effective leadership need to be taken as the criteria.

Figure 1: A conceptual model of Kotter's 8-steps of strategic change management



Adopted From: Henry Stewart Publications 1469-7017 (2002) 3(1) pp. 45-59 Journal of Change Management

Kotter (1997) further notes that the integration of strong leadership figures is of particular importance. A combination of good managers to control the change process and strong leadership figures to push the process forward is decisive for the success of a leadership coalition. The appropriate size of a leadership coalition depends on the size of the company and on how far-reaching the envisaged change is. It is often the case that a coalition of change starts off with just one or two persons and then grows in larger companies to encompass 20-50 persons.

With regard to Kotters step 4, that is, communicating the vision, Pfeifer, Schmitt and Voigt (2005, as cited in Schleiken and Winkelhoder, 1997) argue that the true power of a vision is only completely unleashed when all the people in the company have a common understanding of their goals and their course. This consensus on a desirable future supports motivation for and coordination of the actions required to achieve the necessary changes. For this reason, communication of vision and strategy is of crucial importance. Management communiqués are often incomplete or misunderstandable. In other words, the necessary quality of communication is missing. Pfeifer et al. (2005) adds that the key elements respecting quality features of effective communication of vision and strategy are simplicity, use of metaphors and multipliers, repetition, exemplary function and explanation of apparent inconsistencies.

So-called first successes (step 6 in Figure 1) make a substantial contribution to the motivation of those employees who are involved in and affected by the change, since they indicate that the chosen strategy describes the right way and that it is worth keeping on with the implementation of the strategy. First successes, however, do not come of their own accord. As a kind of pilot change project they must be planned into the course of the change process as a whole and organized accordingly (Schuh, 1999).

Pfeifer et al. (2005) add that basically, first successes must be clear and evident for all employees, i.e. they must not leave room for criticism. The successes must always relate to concrete implementation measures respective to transformation objectives in order to maintain their connection to vision and strategy. To ensure that first successes can be secured on completion of the third stage of the procedural model, their planning must already be initiated in the preparatory stage.

Under Kotter's step 7, Pfeifer et al. (2005) notes that the task here is, on the one hand, to ensure that the changes are anchored in company culture. On the other hand, regular checks must be made as to whether the vision still maintains its validity. Factors in the environment of the company may make a further development of the vision necessary. The control loop would then be closed and the process would have to be repeated, starting with the further development of the vision. Another task in the phase of reinforcing changes is to gather and consolidate experience and knowledge gained from the strategy implementation phase. Knowledge of how the employees dealt with the change makes it possible to react more quickly and more flexibly to pressure to change in future situations.

Pfeifer et al. further notes that there should be inclusion and participation of all those affected by the change. It is only through this participation and involvement, and the acceptance that this nurtures, that people align values and norms within the company according to the new vision and strategy. Kotter (1997) observes that a further aspect here is the systematic planning and consolidation of successes. Clear and plausible explanations must be given of how successes relate to the change program.

Finally, under step 8, various models for the design of change processes place the stage of cultural change at the very start of all efforts towards strategic reorientation. But culture cannot be manipulated and changed just like that. This is only possible when new patterns of behavior and new processes resulting from change have already clearly proven their worth to employees over a longer period of time, when the employees have recognized the relationship between the new course of action and the improvement in performance. Accordingly, a cultural change can only take place at the earliest after consolidation of first successes. New approaches normally only manifest themselves in a company culture when they work and are evidently better than long-standing methods. However, the better one knows the prevailing culture, the more effectively potentially new values and norms can already be worked into the phases "feeling for the urgency of change", "forming a leadership coalition" as well as in "communication with and empowerment of the employees "(Pfeifer et al., 2005).

2.4 Challenges facing Strategic Change

If all barriers to change can be controlled and monitored effectively, then what was a barrier becomes a channel for success. With regard to controllable barriers, it should be born in mind that each organization has five basic leverage points that can affect morale and performance. These are the organization culture; the managers' skills for solving complex problems; group approaches to decision making and action taking; strategic choices and structural arrangements and the purpose/design of the reward system (Zeffane, 1990).

To be effective, the change process must be able to reach and trigger the required transformations on all of these. With regard to the uncontrollable barriers, each organization faces two basic facts. The first is the setting in which it exists and operates. In this regard, while dynamic complexities may be monitored, they must be taken as a given. The other uncontrollable barrier is the human psyche (or mind-set) and the set of assumptions behind decisions and actions. These latter are relatively more controllable than the former. In fact, they lie in the core of the fundamental challenges to any change process (Zeffane, 1996).

Tichy (1983) observes that success is largely determined by how well the organization adjusts all its tangible and intangible properties to keep itself on track with its surrounding. The older and the larger the organization, the greater its difficulty in fostering and implementing change. Essentially, the organization becomes rigidified. Just as hardening of the arteries sets in with age for individuals, hardening of beliefs and assumptions comes with age and size of the organization.

Making matters even worse, if the organization has been successful in the past, its managers may fall into the trap of erroneous extrapolation. This is a very common phenomenon and occurs when managers make the false assumption that what worked in the past will also work in the future. Here, managers draw a straight line from the past into the future. However, with contextual dynamism and complexity being the new rule, any linear extrapolation is at best misleading. The line representing the link between past and future is at best dotted, if not even discontinuous, with twists and thresholds everywhere (Tichy, 1983).

Bowman (1994) suggests that organizations are constrained by routines, but, paradoxically, routines are the life-blood of organizations: without routines, organizations could not function. The problems start when routines get in the way of strategic thinking and strategic change and when routine thinking gets in the way of lateral/innovative thinking. Zeffane (1996) notes that alternatives must then be found to challenge the taken-for-granted assumptions that underpin routine thinking.

Lupton (1991) sees that change can be more successfully introduced from the bottom up than from the top down. In general, individuals who are struggling to assert their autonomy tend to resist the efforts of persons in authority to exercise control over them. By doing so, individuals do not necessarily reject the legitimacy of the authority, but rather seek to extend their own autonomy by working to control the interactions with the authority.

This phenomenon is also related to the degree of readiness to change that suggests that there are two distinct forces that act on people. First, there are the forces within the individual. These forces include the individual's knowledge, skill and self-awareness. Some evidence even suggests that motivational levels and most importantly, self-esteem play important parts in participants' readiness to change. Second, there are forces within the system, which include the type of leadership, the culture, the climate of the organization and the perceived consequences of success or failure within the organization (Zeffane, 1996).

McClelland (1987) suggests that the combination of these factors leads to something, which may be referred to as the degree of felt security. That is, if the degree of felt security is either high or low then the response to change will very much be that of rejection, suppression or distortion. People will procrastinate and delay bringing in the change. In a sense this is understandable. If people feel secure in their current work situation then what need is there for them to change.

McClelland further notes that on the other hand, if their degree of felt security is very low then anything you do to disturb even that low state of security will be seen to be highly threatening. Hence, only in the middle ranges of this degree of felt security is the response to change most likely to be positive. Such positive response will be expressed through behaviors such as listening, clarifying, negotiating and willingness to explore alternatives.

With reference to corporate culture, change challenges the taken-for-granted beliefs of people within the organization and therefore is not likely to be easy. There are circumstances in which a deliberate strategy of partial implementation of a plan may be more successful. However, in most cases, to ensure success the need to create or reinforce an appropriate culture is inevitable. Corporate culture is in many cases reinforced through the introduction of core value statements (Osborne, 1991).

Finally, top leadership can also be a barrier to change. Although charismatic leaders may have the qualities necessary for turning around organizations, it has been shown that charismatic leaders can be damaging to organizations and followers (Janis, 1989). For example, Janis (1989) noted that charismatic leaders can lead followers into groupthinking and cites as an example John F. Kennedy and the Cuban missile crisis. Charismatic leaders have also been accused of being narcissistic (Hogan et al., 1990).

Post stated that the charismatic leader “requires a continuing flow of admiration from his audience in order to nourish his famished self. Central to his ability to elicit that admiration is his ability to convey a sense of grandeur, omnipotence, and strength” (Post, 1986, p. 679). Examples include Adolph Hitler (Post, 1986). Howell and Avolio (1992) refer to this “dark side” as the “unethical charismatic” and describe these individuals as controlling, manipulative and self-promoting. Conger (1996) suggests that a leader’s vision, communication and impression-management skills, and managerial practices could lead to negative outcomes. It may be that these dark or unethical characteristics of the charismatic leader can jeopardize and even sabotage the turnaround efforts of a firm.

2.5 Models of Strategic Change

Mento et al. (2002) observes that there exists in the literature a number of change models to guide and instruct the implementation of major change in organizations. Three of the most well known are Kotter’s strategic eight-step model for transforming organizations, Jick’s tactical ten-step model for implementing change and the General Electric (GE)’s seven-step change acceleration process model. The three models have stood as exemplars in the change management literature.

The first model is Kotter’s (1995) eight-step model for transforming organisations, which forms the theme for this study. Kotter’s model was developed after a study of over 100 organisations varying in size and industry type. After learning that the majority of major change efforts failed, Kotter couched his model as a way of avoiding major errors in the change process. It is best viewed as a vision for the change process. It calls attention to the key phases in the change process. Two key lessons learned from the model are that the change process goes through a series of phases, each lasting a considerable amount of time, and that critical mistakes in any of the phases can have a devastating impact on the momentum of the change process. Kotters model is aimed at the strategic level of the change management process.

Jick (1991) developed a tactical level model to guide the implementation of major organizational change. His ten-step approach serves as a blueprint for organizations embarking on the change process as well as a way to evaluate a change effort already in progress. He notes that implementing change is an ongoing process of discovery, with thoughtful questions continually being asked throughout the change journey. Jick states that implementation is a blend of both art and science. How a manager implements change is as important as what the change is. How well one does in implementing a particular change depends ultimately on the nature of the change, on how sensitive the implementers are to the voices in the organisation, and on the recognition that change is a continuous, not a discrete process.

Jicks 10 step model involves: analyzing the organization and its need for change; creating a shared vision and common direction; separating from the past; creating a sense of urgency; strong leader role support; lining up political sponsorship; crafting an implementation plan; development of enabling structures; communication, people involvement and honesty and reinforcing and institutionalizing the change.

The seven-step change acceleration process used at General electric (GE) (Garvin, 2000) follows closely Lewin's (1947) notion of unfreezing, movement and refreezing as the essential components of the change process. In essence, the model focuses on the leader's role in creating urgency for the change, crafting and communicating the vision, leading the change, measuring the progress of change along several dimensions, and institutionalizing the change. Institutionalizing the change or the refreezing, involves changes in the organizational design factors, i.e. creating a fit of systems and structures to enable change. Garvin (2000) quotes one of the model's developers as referring to the series of seven steps as a pilot's checklist. According to Garvin, even the most experienced pilots use checklists; yet they offer no new insights. Instead, they make existing knowledge more visible and accessible, ensuring that all essential steps are followed. Discipline, not discovery is the goal of the checklist.

Mento et al. (2002) documents the GE model as commencing with leader behavior directed towards owning and championing change, role modeling and resource commitment; creating a shared need; shaping vision; mobilizing commitment through understanding interests of different, identifying key constituents and building coalitions of supporters; making change last through developing long term plans to ensure that change persists; monitoring progress through creating and installing metrics; and finally, changing systems and structures such as staffing, training communications appraisals and reward systems. These last two aspects complement and reinforce each other.

Other change management thinkers such as Duck (2001) suggest that any transformation or major organizational change generally begins with a leader's realization that there is actually a need for change. This realization may be externally driven, as in wartime, or it may be the result of the leader's assessment of the organization and the environment in which it operates. Duck describes this aspect of change theory as a key component of the first of what she sees as five states in which businesses operate during a change movement: stagnation, preparation, implementation, determination, and fruition. This realization regarding the need for change must come from someone in a position of power, and must lead to a forceful demand for change in order to set the process in motion. This model however has the limitation of focusing all change on an individual thus subjecting the process to individual's limitations.

A concept that runs through much of the recent literature on organizational change is that of "learning organizations." As described by Schein (1992) and Senge (1990), learning organizations operate under the assumption that the world is intrinsically complex, nonlinear and interdependent, but that it can nevertheless be managed through analysis and adaptation (Schein 1992). A corporate willingness to learn, by analyzing and adapting to the challenges facing the organization, greatly increases the likelihood of successful change or transformation.

Duck (2001) claims that exceptional change leaders are the ones who realize that their legacy lies not in a single transformation, but in teaching their organization to perpetually adapt to a changing world. Again, the "people" aspect of organizational change shows itself to be preeminent throughout the literature. Leadership, whether in name or in function, is consistently described as essential for successful transformations.

There are a number of other models organizational change that have been developed and each of them emphasizes different approaches to understanding the change process.

Chapter Three

Research Methodology

3.1 Research Design

The research will employ an exploratory survey design. Kotler and Armstrong (2001) observe that this method is the best suited for gathering descriptive information; where the researcher wants to know about people's feelings, attitudes or preferences concerning one or more variables through direct query.

3.2 Population of the Study

The population is composed of all Insurance firms registered with the Registrar of Companies as at 1st June 2006. This is a total of 42 companies (see Appendix 3). Since the population is small a census study will be conducted

3.3 Data Collection Method

Data will be collected by means of a questionnaire, which will be of open-ended questions, closed-ended questions and matrix-type questions (see Appendix 2). These will be administered to the respondents using hard copies sent by hand or soft copies sent via electronic mail. For those send by hand, the "drop and pick later" method will be used. The questionnaire will be divided into Part A, which will attempt to capture general information about the respondent organization, and Part B, which will address the objectives of the research. The respondents will be senior managers whose functional role includes company strategy affairs. One questionnaire will be submitted per respondent organization.

3.4 Data Analysis Method

Data analysis will be conducted using descriptive statistics, which will include measures of central tendency, measures of variability and measures of frequency among others. According to Mugenda and Mugenda (1999) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Measures of central tendency will give us the expected score or measure from a group of scores in a study.

Measures of variability, such as standard deviation, inform the analyst about the distribution of scores around the mean of the distribution. Frequency distribution shows a record of the number of times a score or record appears. SPSS software will be used to analyze the data.

Chapter Four

Data Analysis and Findings

4.1 Introduction

The objectives of the study were to determine the extent of application and factors influencing application of Kotter's model in the Insurance industry in Kenya. This chapter presents the data analysis and interpretation of the research findings. The data was summarized and presented in the form of percentages, frequencies and mean scores. Out of the forty-two insurance companies targeted, twenty-seven responded by filling in the questionnaire which was administered through the 'drop and pick later' method.

4.2 Demographic characteristics of Insurance companies

Table1: Local/ Foreign ownership composition Insurance Companies

	Frequency	Percent
Local	18	66.7
Foreign	2	7.4
Part local/ Part foreign	7	25.9
Total	27	100.0

Data was collected using structured questions and the analysis was done by use of p ercentages. Table 1 shows t hat out of twenty-seven i nsurance companies that responded, 66.7% are locally owned, 7.4 % are foreign while 25.9 % are part local/part private.

Table2: Private/ public ownership of insurance companies

	Frequency	Percent
Private owned	23	85.2
Part private/ part public	3	11.1
Public	1	3.7
Total	27	100.0

Table 2 shows ownership of the insurance companies that w ere studied. Data was collected using structured questions and analysis was done by use of percentages. This table shows that 85.2% of the insurance companies studied were private owned, 11.1% are part private/part public while 3.7% are public.

Table 3: Indication listing of insurance companies on the Nairobi Stock Exchange

	Frequency	Percent
Yes	2	7.4
No	25	92.6
Total	27	100.0

The data in Table 3 indicates whether the insurance companies are listed in the Nairobi Stock Exchange. Data was collected using structured questions and the analysis was done by use of percentages. The table shows that 7.4% re listed on the Nairobi Stock Exchange while 92.6% re not listed with the Nairobi Stock Exchange.

Table 4: Company size in terms of number of staff

	Frequency	Percent
50-249	4	14.8
250 and above	23	85.2
Total	27	100.0

Table 4 shows the company size in terms of the number of staff in the Insurance companies that were studied. Data was collected using structured questions and the analysis was done through the use of percentages. The table shows that 14.8% of the Insurance companies have employed 50-249 staff, 85.2% have employed staff between 250 and above.

4.3 Application of Kotter's model in the Insurance industry

This section analyses the extent of application of Kotter's model in the Kenyan Insurance industry. By manner of tabulation, a summary of the information on the companies has been done using the mean scores.

Table 5: Extent of the use of change management activities

Change management activity	Mean Score	Standard Deviation
Conduct(ed) strength/weakness -opportunity/threat (SWOT) analysis to determine the current reality	4	2.8519
Evaluate the gap between company vision and current situation (forge creative tension) with an aim of creating a momentum for change efforts	2	3.2593
Utilize(d) influential change implementation leadership teams comprised of top management among others	3	3.1852
Use(d) (or have standing) rapid response team(s) (ready) to address contingency situations requiring responses to organizational /environmental change	3	3.111
Redefine(d) organizational vision-that is where the organization is heading-in response to internal and external change requirements	3	3.4074
Engage(d) in "top-down" and "bottom-up" communication of organizational change initiatives	3	2.8889
Regularly communicate the fit between organizational incentives e.g. performance rewards and the greater company mission	3	3.3333
Regularly model expected new behaviour, attitudes and so fourth	3	3.2963
Delegate(d) change oriented objectives	3	2.9259
Remove(d) perceived or actual obstacles to change	3	2.963
Encourage(d) employee innovation	3	3.2593
Change systems/structures that inhibit change	3	3.1481
Create short-term visible concrete changes	3	3.037
Reward short term (1-2 years) achievements that reflect the longer term change effort	3	3.0741
Consolidate(d) achieved change efforts into the company culture	4	3
Conduct audits to ensure that the current company vision is relevant given changes in the environment	2	3.3333
Inclusive participation of all affected by change	3	3.1481
Embody all change as part of the company culture with the aim of institutionalizing them	3	3.1852

Table 5: Continued

Change management activity	Mean Score	Standard Deviation
Competitor action/threat	3	3.4074
Consumer pressure groups (consumerism)	3	2.8148
Globalization	3	3.2963
Legislative environment changes	3	3.1481
Need of attain cost leadership through lower operating overheads	3	3.111
Need to serve a given market more efficiently i.e. focus	3	3.4074
Need to serve different market segments efficiently i.e. differentiation	3	3.2593
Political environment factors	4	3.8889
Socio-cultural factors	2	3.2121
Technological changes	4	3.5185
Threat of new entrants into the insurance market	3	3.5185
Threat of substitute insurance products	3	3.2963

Table 5 shows the extent of the use of change management activities in relation to Kotter's model of strategic change. Data was collected using a five point Richter scale where 1 meant that there was no extent at all, while 5 meant that a great extent has been adopted in the findings. Data was then analyzed by means of mean scores. The results of Table 5 illustrate that the most important aspects of the change management activities are: SWOT analysis; Company culture; Political environmental factors and Technological factors with a mean score of 4.The least important of the change management activities are: Evaluating the gap between company vision and current situation with the aim of creating a momentum for change; Conducting audits to ensure that the current company vision is relevant given changes in the external environment and Socio-cultural factors.

4.4 Factors that have influence application of Kotter's model in the Insurance Industry

This section presents an analysis of other factors that may have influenced the application of Kotter's model in the Kenyan Insurance industry. The data in Table 6 has been tabulated and summarized in the form of mean scores.

Table 6 shows the extent of the use of change management activities in relation to Kotter's model of strategic change. Data was collected using a five point Richter scale where 1 meant that there was no extent at all, while 5 meant that a great extent has been adopted in the findings. Data was then analyzed by means of mean scores. The results of Table 6 illustrate that the most important aspect of the change management activity is the system with a mean score of 5. The least important of the factors of change management is innovation of workers; HIV-Aids pandemic; reduction of rates; new products; government control in pricing with a mean score of 2.

Table 6: Other factors that have influenced the use of change management activities

Factors of change management	Mean Score	Standard Deviation
System	5	4.0769
Government Regulation	3	3.2194
Innovation of workers	2	3.1625
HIV-Aids pandemic	2	3.8411
Reduction of rates	2	3.1260
New products	2	3.2561
Government control in pricing	2	3.1864

Chapter Five

Conclusion

This chapter presents the summary, discussions and conclusions for the research findings in line with the objectives of the study. Based on the research findings, recommendations have been included, limitations of the study and suggestions for further research.

5.1 Summary, Discussions and Conclusions

In this section, the results of the study are summarized, discussed and conclusions drawn. The objectives of the study were to determine the extent of application and factors influencing the application of Kotter's model in Kenya's Insurance industry. With respect to these objectives, the study revealed that all aspects of Kotter's model were in use in varying degrees in the Kenyan Insurance companies.

The first objective was to determine the extent of application of Kotter's model in Kenya's Insurance Industry. The results of the analysis show that Kotter's model is applied in the Insurance Industry in ranging degrees from a great extent to no extent at all. The study further reveals that SWOT analysis, company culture, technology and the political environment are the most widely used change management activities across the industry. This suggests that the Insurance companies cross-examine the market and competitive realities through environmental scanning. It also further reveals that the changes are reinforced into the company culture and institutionalized through the development of future leaders and succession planning. Technological changes are also key in this industry because it has eliminated elements of the value chain, supported globalization, enhanced communication channels, reduced distribution costs and automated internal processes. The analysis indicates that the political environment is also a vital component in the industry because as noted earlier global terrorism has increased business risk and intern companies are forced to pay high premiums, for example Kenya and Tanzania have been terrorist targets in the past. The least important of the extent of use of the model in the insurance companies studied included, socio-cultural factors, audits to evaluate company vision and evaluation of the gap between company vision and current reality.

The second objective was to determine the factors influencing the application of Kotter's model in the Kenyan Insurance Industry. This factor was the most important of all the change management activities in the study. The analysis shows that the system in the internal organizational environment plays a crucial role in change management and this was the key aspect of all the factors in the study. This ranges from organizational structure, leadership, culture, internal processes, employee motivation, reward systems etc are among the most important elements of the internal change systems in the industry. Other factors include government regulation and control in pricing which affects the costing of products and services to a great extent; HIV-Aids which is also a critical factor because it increases the amount of premiums that the insurance companies have to pay and therefore the need for them to strategize if they have to include it as a product for the consumer; Focus on new products also impact on the industry competition since companies are more keen on innovative products that are appealing to the consumer with a lower cost and more segmented markets than the competitor.

As a conclusion to the discussions above, it is evident that companies that were studied apply Kotter's model of strategic change leadership in the Insurance Industry in Kenya in varying degrees. It can further be noted that this Industry is one that changes very rapidly and therefore the need for the companies to utilize effective leadership techniques in order to adapt to the changing environment.

5.2 Limitations of the study

The time allocated for completion of the study may not have been sufficient because it affected the response rate owing to the fact that it was not possible to wait for all the respondents to return the questionnaire since the study was a census. Another limitation of the study is that it focused on Insurance companies in Nairobi and therefore it did not cover Insurance brokers and Insurance agents.

5.3 Recommendations for further research

This study focused on the application of Kotter's model of strategic change leadership in Insurance companies in Kenya. A study could be carried out on other models of strategic change leadership in Kenya or one that specifically challenges Kotter's model. Another interesting study could be on leadership of organizations since it is a critical aspect in the field of strategic change in Kenyan organizations.

5.4 Recommendations for policy and practice

According to this study, it portrays leadership as a critical dimension for strategic change to be realized in the Insurance companies and the study has utilized Kotter's approach to lay emphasis on the same, It is evident that companies in this industry are therefore not immune to environmental changes which are affecting all businesses today.

Leadership of organizations in this regard becomes an important element in the management of organizations. Management is about coping with complexity but leadership copes with change. This has become a very important dimension in recent years and therefore organizations should not ignore this aspect since the world has become more competitive and volatile than before. Major changes are more and more necessary in order for organizations to survive and compete effectively in this newer environment, thus more change always demands more leadership.

In conclusion, as has already been pointed out, leadership is an area that has not been studied before with regard to strategic change and thus there is need for other researchers to explore it because it forms the basic foundation for organizations to succeed. I would further recommend that all organizations should therefore examine the systems and structures in the internal organizational environment so that they can gain insights on how to counter the competitive forces in their external environment if they are to succeed in the market place. In practice, strategic leadership defines the future and is the key for any organization to stay competitive.

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Appendix 1

Letter of Introduction

University of Nairobi

School of Business
P.O. Box 30197
Nairobi, Kenya

Telephone: +2542-318262
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==

Dear Sir/Madam,

Re: A Survey of the Application of Kotter's Model of Strategic Change Leadership in the Kenya's Insurance Industry.

I am a Postgraduate student undertaking a Masters in Business and Administration degree at the School of Business, University of Nairobi. I am currently carrying out research on the Application of Kotter's model of strategic change leadership in Kenya's insurance industry as a requirement for completion of my degree.

To this end, I kindly request you to provide the requested information by filling out the attached questionnaire. The information required is purely for academic research purposes only and in no way will your name or that of your company be implicated in the research findings.

Your cooperation will be highly appreciated.

Yours respectfully,

Kerama, T.

Appendix 2

Questionaire

Part A:

1. Name of company. ______________________________

2. Indicate the answer that best represents the ownership composition of your company.

   [ ] Local; [ ] Foreign;

   [ ] Part Local/Part Foreign; [ ] Government

3. Kindly indicate whether your company is:

   [ ] Private owned; [ ] Part private/part public

   [ ] Public owned; [ ] Parastatal

4. Is your company listed on the Nairobi Stock Exchange?

   [ ] Yes : [ ] No

5. Indicate below the best representation of your company's size in terms of number of staff.

   [ ] Below 10; [ ] 10-50; [ ] 50-250; [ ] Above 250

Part B

1. Tick the answer below that best represents the current extent of the use of the indicated activities of change management in your organization.

Key: **1 = no extent at all; 2 = mild extent; 3 = fairly high extent; 4 = high extent; 5 = a great extent**

	1	2	3	4	5
Conduct(ed) strength/weakness -opportunity/threat (SWOT) analysis to determine the current reality					
Evaluate the gap between company vision and current situation (forge creative tension) with an aim of creating a momentum for change efforts					
Utilize(d) influential change implementation leadership teams comprised of top management among others					
Use(d) (or have standing) rapid response team(s) (ready) to address contingency situations requiring responses to organizational /environmental change					
Redifine(d) organizational vision-that is where the organization is heading-in response to internal and external change requirements					
Engage(d) in "top-down" and "bottom-up" communication of organizational change initiatives					
Regularly communicate the fit between organizational incentives e.g. performance rewards and the greater company mission					
Regularly model expected new behaviour, attitudes and so fourth					

2. Tick the answer below that best represents the current extent of the use of the indicated activities of change management in your organization.

Key: 1 = no extent at all; 2 = mild extent; 3 = fairly high extent; 4 = high extent; 5 = a great extent

	1	2	3	4	5
Delegate(d) change oriented objectives					
Remove(d) perceived or actual obstacles to change					
Encourage(d) employee innovation					
Change systems/structures that inhibit change					
Create short-term visible concrete changes					
Reward short term (1-2 years) achievements that reflect the longer term change effort					
Consolidate(d) achieved change efforts into the company culture					
Conduct audits to ensure that the current company vision is relevant given changes in the environment					
Inclusive participation of all affected by change					
Embody all change as part of the company culture with the aim of institutionalizing them					

3. Tick the answer below that best represents the current extent of the use of the indicated activities of change management in your organization.

Key: 1 = no extent at all; 2 = mild extent; 3 = fairly high extent; 4 = high extent; 5 = a great extent

	1	2	3	4	5
Competitor action/threat					
Consumer pressure groups (consumerism)					
Globalization					
Legislative environment changes					
Need of attain cost leadership through lower operating overheads					
Need to serve a given market more efficiently i.e. focus					
Need to serve different market segments efficiently i.e. differentiation					
Political environment factors					
Socio-cultural factors					
Technological changes					
Threat of new entrants into the insurance market					
Threat of substitute insurance products					

Question 3 (Continued)

Please rank any other factors that may have influenced application of the change management activities illustrated in Questions 1 and 2 in your organization.

Key: 1 = no extent at all; 2 = mild extent; 3 = fairly high extent; 4 = high extent; 5 = a great extent

Factors	1	2	3	4	5

Thank you for sparing your time to fill out this questionnaire

Appendix 3

List of Insurance Companies in Kenya

Company Name

1	Africa Re
2	ALICO
3	Apollo Insurance Company Ltd
4	Blue Shield Insurance Co Ltd
5	British American Insurance Co Ltd
6	Cannon Assurance Company Ltd
7	Concord Insurance Company Ltd
8	Co-operative Insurance Services Ltd
9	Corporate Insurance Company Ltd
10	East Africa Re Company Ltd
11	Fidelity Shield Insurance Co Ltd
12	First Assurance Company Ltd
13	Gateway Insurance Company Ltd
14	Geminia Insurance Company Ltd
15	General Accident Insurance Co Ltd
16	Heritage AII Insurance Co Ltd
17	Insurance Company of E. A. Limited (ICEA)
18	Intra Africa Assurance Co Ltd
19	Invesco Insurance Company Ltd
20	Jubilee Insurance Company Ltd
21	Kenindia Assurance Company Ltd
22	Kenya Alliance Insurance Co Ltd
23	Kenya Orient Insurance Co Ltd
24	Kenya Reinsurance Corporation Ltd
25	Lakestar Insurance Company Ltd
26	Lion of Kenya Insurance Co Ltd
27	Madison Insurance Company Ltd
28	Mercantile Life & General Assurance
29	Munich Reinsurance Co Liason Office
30	Occidental Life & General Assurance
31	Pan Africa Insurance Co Ltd
32	Phoenix of EA Assurance Co Ltd
33	Pioneer General Assurance Co Ltd
34	PTA Reinsurance Company Ltd

35	Royal Insurance Company Ltd
36	Stallion Insurance Company Ltd
37	Standard Assurance Company Ltd
38	Tausi Assurance Company Ltd
39	The Manarch Insurance Co Ltd
40	Trident Insurance Company Ltd
41	UAP Provincial Ins Company Ltd
42	United Insurance Company Ltd