# MANAGEMENT OF STRATEGIC CHANGE AT UZIMA FOUNDATION

## BY ORANGA EDWINS JOGINDER

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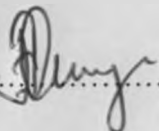
A Management Research Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (MBA) School of Business, University of Nairobi.

November 2009

# DECLARATION

This management project is my original work and has not been presented for a degree in any other University.
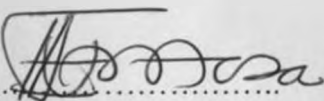
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The management project has been submitted for examination with my approval as university supervisor.

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# DEDICATION

To my immediate family, Ratana and Adeline for their patience, understanding and support.

To my father who encouraged me to move on with my career and now wants a PhD.

# ACKNOWLEDGMENT

It was not easy to complete this work without the valuable support. assistance. guidance and encouragement received from several people including colleagues, family members and lecturers whose input I sincerely acknowledge.

I would like to thank my research project supervisor. Prof Aosa for providing invaluable guidance and support throughout the study and giving me the push to ensure I completed the project in time.

My sincere thanks go to Mr. Benjamin Makokha of Uzima Foundation plus the entire staff for their roles as reference points in providing information on their institution.

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# ABSTRACT

Most organizations whether public or private operate in an ever changing environment. For the organization to survive in such an environment, they have to prepare themselves for nay uncertainties arising form the environment. It is here that they have to formulate strategies whose implementation would be key to the firm's future survival.

The study focuses on Uzima Foundation, a non governmental organization initially involved in promoting HIV/AIDS awareness and other youth activities. The organization has undergone growth in terms of both budget and expansion to other areas of the country. Membership has really grown and it has experienced a reduction in donor funding. The research carried out through administration of an interview guide aims at documenting strategic management practices by the organization in response to the ever changing environment.

The study found that Uzima Foundation embraces strategic change management practices. They for instance plan for any changes and these are communicated by top management. They involve all members of the organization who take a positive role in ensuring success. The organization also experiences some resistance to change and this is handled and overcome before implementing the changes. The change implementation has always been successful.

The study recommends strategic change management as a key tool for any organization that wants to survive in future. Firms and policy makers need to embrace it as a sure way of

organization's continued survival. The study had incomplete information but this would be overcome if validation of the findings of the study is done at a later date.

It is suggested that more studies be done in the non governmental organizations to find out the role of leadership in successful strategic change management. The qualities of the leader and how they impact on the change process would also be an interesting area to study in future.

# CHAPTER 1: INTRODUCTION

## 1.1 Background

Strategy means course of action or plan that is adopted or applied so as to achieve some desired objectives or goals. Mintzberg (1995), notes that it is the pattern or plan that integrates organization major goals, policies and action into a cohesive whole. It is concerned with policy decisions affecting the entire organization, with the overall objectives of positioning the organization properly in the environment so as to meet the set objectives.

Val and Fuentes (2003), have defined organizational change as an empirical observation in an organization entity of variations in shape, quality or state overtime after the deliberate introduction of new ways of thinking, acting and operating.organisational change occurs at three levels and each level requires different change strategies and techniques (Goodstein and Burke, 1991).The levels are changing the individuals, changing the structures plus systems and then finally changing the organizational climate.

Aosa (1992), notes that strategic management helps in providing long term direction for an organization whereby they perform current activities while at the same time view them in terms of their long terms implications for the probable success of the organization. It helps companies to focus their resources, efforts and also be able to develop competitive advantage in the market. Strategy has no value to an organization unless they are effectively translated into action and this is normally a challenge. Njau (2000), points out that implementation of a chosen strategy is by any measure one of the most vital phases in a strategic management since its here that action is taken. By themselves, strategies do not lead into action as they are merely statements of intent.

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### 1.1.1 Management of Strategic Change

The external environment in which organizations operate is constantly changing. The organizations therefore have to respond to these changes from now and then. Management of strategic changes thus creates strategies that will help guide the pattern of responses of such companies to the changes taking place and also enable them anticipate such changes in the future (Ansoff, 1987).

Change may be defined as departure from the past or alternation of status quo. Strategic changes process and strategic change management therefore is defined as the actions, process, decisions that are executed by organizational members to realize intentions (Handy, 1986). Strategic change management is a continuous process that takes into account formulation, implementation and also review. According to Pearce and Robinson (1997), components of strategic management include company mission, company profile, external environment, strategic analysis and choice, long term objectives, grand strategy, operationalization, institutionalization, control and evaluation.

Management of strategic changes is therefore how to create conditions that make proactive change a natural way of life. Strategic change and its effective management are very critical to the survival of any organization, thus the need for NGO's to also embrace strategic management of change. Strategic management is a continuous process that takes into account formulation, implementation and also review. According to Pearce and Robinson (1997) components of strategic management include company mission, company profile, external environment, strategic analysis and choice, long term objectives, grand strategy, operationalization, institutionalization, control and evaluation.

Change can be approached either as emergent or planned according to Burnes (1997). Planned change views it as a process of moving from one fixed state to another through a series of pre determined steps. It is normally conscious i.e. not impulsive. On the other hand, emergent change assumes a continuous open ended and unpredictable process of aligning the organization to the change process. Whichever change approach put in place has to be properly implemented since wrong implementation may not give rise to the desired results. Other things too have to be dealt with for instance resistance to change since not all people in the organization would welcome the change. There are those who will see it as a move to change the status which they are opposed to and so not embrace it, handling of the resistance will determine whether the change process will be accepted or not hence the need to involve all in the process.(Rukunga,2003)

### 1.1.2 Non Governmental Organizations, (NGO's)

A non governmental organization is any organization that receives donor funds to implement intervention such as health, education, micro-financing, appropriate technology and social activities (Bwibo, 2000). They are found practically in all sectors of the economy or development and many works in several sectors. They are registered by the NGO council board with the aim of supporting the important aspects of life without making any profits. Majority are in the health sector followed by the micro financing. NGO's receive funding from donors to implement various interventions.

The donor communities have disbursed lots of funds through NGO's. However, there has been change in the Kenyan economy affecting NGO's leading to the decline in the level of the donor funds. As funds go down, leading to constrained funding, the demand for services provided by the NGO's continue to rise. This to the NGO's means rising costs, more competition from upcoming NGO's and rivalry as a result of profit organizations venturing

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into the social sector. The environment in which NGO`s exist and with which they interact is increasing in its complexity and the rate of change is accelerating.

There is increasing pressure to perform from the Kenyan public and also donors. With such pressure, they must adapt and restructure so as to challenge the constraints (Kangoro,1998). The NGO`s operate in an environment characterized by a lot of influence from the government and the ruling elites of the day. Though many seek to offer better services to the public, political forces constantly threaten their endeavors thus ending up serving the interests of the political class (Kangoro, 1998).In order to achieve relevance to their environments, many have resorted to strategic management (Bwibo, 2000).

### 1.1.3 Uzima Foundation

Uzima foundation is a charitable trust registered in Kenya in 1995. It was registered with the vision of promoting the experience of abundant life especially among those whose quality of life is under severe threat. Its priorities are working with youth in socially challenging situations hence their goal of facilitating the development of capacities for individuals and groups for the improvement of the quality of their lives and that of their communities. Many Kenyan youths live in apathy, helplessness and hopelessness. They are discouraged by the way life is turning out for them. It is in this context that Uzima Foundation aims at providing youths opportunities to reflect on what they do have instead of being pre-occupied with what they do not have and more on from there.

Funding of Uzima Foundation program activities in the first three years came from the contribution of the board of trustees. These are people who were anxious to explore ways to help youth realize and develop their potential for personal development. Within a short time

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of existence and involvement in Uzima Foundation was provided for by the trustees. Those who could give financial finance and expertise were approached to assist in this noble programme hence the emergence of "Friends of Uzima" group support of key international organizations like family health international (FHI), United Nations FPA (UNFPA) and FORD foundation made it happen. Uzima has grown from an organization having 100 members to over 20,000 members in three provinces of the country i.e. Nairobi, Nyanza and Western. It has also been registered as an NGO. From a budget of less than USD $ 60,000 a year. Uzima currently operates on a budget of USD $ 1,200,000. Projects include promotion of gender. parity growth, sexuality, reproductive health, prevention and support of HIV / AIDS victims, economic empowerment, employment. micro entrepreneurship, peace and culture promotion.

The challenge facing Uzima Foundation is not having the capacity to respond to those who want Uzima Foundation to go to them. It is no longer youth only since parents and teachers are also reaching out to Uzima Foundation, feeling to be involved in their activities. Like other organizations. Uzima Foundation operates in a turbulent environment characterized by many changes. There is high demand for the services, competition and also constrained funding. Success for Uzima Foundation therefore means coming out with strategies that would assist it still reach its goals despite the over changing environment they operate in.

According to Rukunga (2003), research in this area is still limited and offers few propositions. Okumu, (2001) observes that recent studies into strategic change implement indicate lack of enough information on this essential area of strategic management.

## 1.2 Statement of the Problem

There has been an increase in the pace of change across the globe (Kiliko, 2000).These changes, be they political, economic, social or technological have not spared the non governmental organizations. Organizations have reacted in various ways including strategy reformulation to ensure their continued relevance in the country. Many of these changes have involved sharp transitions which have caused uncertainty, stress and anxiety (Okumu, 2000). Institutions have to effect changes so as to cope with the ever dynamic operating environment

The changes at Uzima Foundation have been brought about by change in their environment where there is a decline in donor funding, liberalization of the economy, technological advancement and also globalization. Dwindling donor funding to some NGO`s and increased emergence of NGO`s have culminated in the radical changes within Uzima foundation which continues to work in earnest to ensure the organizational goals are attained.

Several studies have been done in Kenya on strategic change management. Rukunga, (2003) studied strategic change management practices in Kenya; a case study of Nairobi bottlers Limited and one of his conclusions was that change management is hey to the survival of any organization in the current turbulent environment. Bwibo, (2000) noted that the majority of Kenyan NGO`s see the need for strategic changes and that they actually plan. The limitations of these studies are that they have focused on strategy formulation and implementation. There has thus been limited focus on the management of change process.

This study therefore answers the question. How is strategic change management carried out at has Uzima Foundation to enable them cope with the environmental changes? What factors influenced strategic change management practices?

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## 1.3 Objectives of the Study

The objectives of the study are;

    (i)     To establish how strategic change was managed at Uzima Foundation.

    (ii)    Evaluate the factors that influenced strategic change management practices.

## 1.4 Importance of the Study

The study is very important as it will help other industry players to identify the correct strategy change management practice needed to formulate and implement successful strategies. The Upcoming NGO's will also benefit fro m this study in that the study will be a source of ready information on how to handle change in their sector. It shall highlight all the processes involved plus the challenges likely to be met in this critical management practice.

The study is also important to scholars who will do further research in the specialty of change management. This study shall provide a rich source of literature for review during other related studies. The study will benefit management and staff of Uzima Foundation in that it will be giving an analysis of how change was managed at the organization and also be a source of information when there is need.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Strategic Change Management

As a result of environmental changes, non-government organizations have been adversely affected. Some of the changes include technological changes, globalization, and development of international policies among others. Changes in the macro and micro economic policies have for instance results in liberalization. This changing environment has therefore led to the need for both for and non-profit organizations to formulate and implement continuously need for effective management of strategic change. Change is any planned or unplanned transition from one state to another. Handy (1987), states that change upsets status quo. Burnes (1998), has three schools of thought that form the central planks on which change management theory stands. The individual perspective school which assumes that individuals behavior results from the individual's interaction with the environment. Human actions are conditioned by expected consequences. According to Handy (1987), Behavior that is rewarded tends to be repeated thus eventually disappearing. That individual behavior is a function of the group environment. An individual in isolation is constrained by group pressures to conform in terms of group norms. roles and values. To bring about strategic change management focus of change thus must be at group level where we concentrate on influencing and changing group norms, roles and values. The open systems school whose focus is on the entire organization and here we view the organization as being composed of a different system which is the goals and values. Thus any change to one part of the system will have an impact on other parts of the system and in turn on its performance (Robson 1997).

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## 2.2 Approaches to Change Management

According to Burnes (1999), there are two main approaches to strategic change management i.e. planned and emergent. Planned change approach views organizational change as process of moving from one fixed state to another through a series of predictable and pre-planned steps. This kind of change is conscious as opposed to the change that was brought about by impulse. On the other hand, emergent change approach assumes that change is continuous, open ended and unpredictable process of aligning and realigning the organization to the changing process. It recognizes the need for organizations to align their internal practices to the external conditions. This approach emphasizes bottom up and not top down approach. Four features are critical in this approach: these are Structures whereby right structures are needed so that all are informed on what is happening in the environment. Culture or the way people think and behave also comes in and so is the organizations ability to learn together with the behavior of management. The focus is on gathering information, communicating it and then learning.

There are a number of major theorists and practitioners who have contributed their own models and techniques to the development of change management.

### 2.2.1 Models of Planned Change

The Action – Research Model was first coined by Lewin in 1946. It's a research on an action with a goal of making that action effective. Here an important or powerful member of the firm realizes that they have a problem which can only be sorted out via changes. The model emphasizes that change requires action and recognition. The most important components are the organization, the people and the change agent. Successful action is based on analyzing the situation, identifying possible alternative solutions and then choosing one most appropriate to the situation at hand.

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The Three Step Model was developed by Lewin and its where we identity the problem. identify action steps of solving the problem then possible resistance to change. The model proposes going through the steps of unfreezing, changing and then re freezing. Unfreezing is where remove forces that maintain the organizations current state which is not desirable. In the changing step we take action so as to get to the desired state of affairs. Here people perceive need for change and try out new ideas. It may be gradual or drastic. Last is re freezing where we stabilize the organization at the new set of equilibrium resulting from changing above.

The above process involves perception of the problem by some key individual. consultation with experts. systematic data gathering, taking action by altering selected variables within the system, and evaluating results then taking action. According to Bullock and Batten (1985), change goes through four phases of exploration, planning, action and then integration. In exploration, we emphasize on awareness of need to change and searching for solutions. Planning involves designing action plan after understanding the problem and collecting relevant information. Action involves arrangements for managing change. In integration, we consolidate and stabilize the effected change.

In The Eight Stage Process by Kotter (1986), we go through the stage of establishing sense of urgency which is aimed at gaining co-operation from members. We examine market realities such as potential crises .Creating the guiding coalition that puts together a group with enough power to lead the change the group should have expertise, credibility. We then create a clear vision to help direct the change effort. An effective vision should be imaginable, desirable, feasible, flexible and communicable. We communicate the new vision and strategies using employee bulletins, meetings etc. We get rid of obstacles, change systems etc. in order to

fully empower people, we must communicate a sensible vision: make structures that are compatible with the vision. We should plan for visible implements in performance or wins and also create better performance through better customers and productivity oriented behavior.

The planned change approach does assume that one change is good for all organizations and this is not always the case since organizations exist in different environments. It also assumes that an organization exists at different states at different times.Organisational changes may be more continuous and open ended especially in times of turbulence.

## 2.2.2 Models of Emergent Change

The Simple Model is where change takes place within a seven phase frame work which includes the need for change recognition, identification of possible solutions, communication & consultation, selection of solution, selling of the solution, implementing the solution and achieving success. The Champion of Change Model says that there has to a leader of change for it to be effective. The leader provides inspiration. must have the support of the senior management and also authority to carry out change. The champion leads the people in the change process. Until change has taken place and he comes out of the process after empowering those involved in the change process.

In The Processual Model, temporal aspects of change are used as a means of breaking down the complex process of organizational change into manageable portions. It identifies substance of change, the need for change, transition in terms of new tasks and decision is achieved in the contested framework of change. There is conception of need for change, the process of organizational change then the operation of new work practices and procedures.

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The Logical Incrementalism Model was advanced by Brian Quinn. Here change takes place incrementally by developing the pattern of change incrementally, solidifying the process in the change programme incrementally then integration of the process and interest in the change program incrementally. The pattern of change is developed via creating awareness and commitment incrementally. We change symbols for example to build credibility. Tactical shifts are done leading to partial solutions. Eventually there is overcoming opposition and then trial .The solidification of the process involves focusing on the organization to create commitment, manage coalitions and formalizing commitment. Integration of processes and interests involves establishing, measuring and rewarding key thrusts.

Barbara (1997), identifies three overlapping phases in strategic change management. These are Description phase where we diagnose the situation so as to understand it. Options phase comes in generating courses of action before Implementation phase where we put feasible plans into practice and monitoring results.Ansoff however summarizes the change management practice as building the launching platform. designing the change process, protecting the process from conflicts with the operations, designing implement ability into the process, managing the ongoing processes, institutionalizing new strategy and then ensuring the co-existence of competitive and entrepreneurial behavior.

The Learning Organization Model was developed by Senge in 1990. A learning organization is one that uses learning, experimentation and communication to renew itself constantly. Strategy development here involves knowledge creation usually in groups.

Emergent Change is criticized because not all organizations face same kind of environment as assumed by the emergent proponents. Some organizations may perceive need to change but not be able to learn. The validity and applicability of this approach are questionable.

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## 2.3 Dimensions and Principles of change

Change in organizations has two critical dimensions, the business dimension and the people dimension. In the business dimension elements include need for change i.e. why it is important to change, the change strategy and what it will involve. Business processes, systems and structures also come in as well as implementation where we have to know who is to be involved. Post implementation is the next stage where we seek ways of how to evaluate the change. The areas of concern under the business dimension include scale, magnitude, duration and strategic importance.

The people dimension involves the alignment of the organizations culture, values, people and behavior to encourage the desired results. It is how employees experience the change process and how they are helped to cope with the change. People dimension involves addressing concerns like involvement, ownership, communication and culture. Effective management of people dimension of change requires managing Awareness, Desire, Knowledge, Ability and Re-enforcement i.e. the ADKAR model.

Change has to be managed and someone has to take responsibility for ensuring that change happens and this is the change agent. There is therefore need to identify specialist skills that will be necessary to manage the different types of change that arise. Change agency may take the models of Leadership. Management, Consultancy or Team model depending on who is handling the change. Change competency is the organizations ability to apply change management practices successfully and routinely. It is the presence of a business culture that expects and reacts to change with the understanding, perspectives, tools and techniques to make change seamless and effortless.

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## 2.4 Principles of Change Management

The four principles of change management are urgency, vision, empowerment and execution. Urgency defines why we must do something or the reason for doing things differently. The vision which describes where to go or the kind of results expected after undertaking the change process. Empowerment tells us who will be accountable or responsible for specific change process. Execution tells us how to accomplish the vision.

### 2.4.1 Strategic Change Management

Strategic change management is defined as actions, process and decisions that are taken by an organization so as to reduce their strategic goals (Handy, 2000). It is about managing the unfolding dynamic process during strategy implementation. Strategic change is the transition that results from the implementation of an organization strategy. It involves change or alignment in policy, systems, styles, values, staff and skills of an organization to release strategy. In order to achieve strategic fit, the organization needs to change its strategies as the internal and external environment change.

A source of competitive advantage in one period becomes not only irrelevant but also often a source of competitive disadvantage in another. Core competencies become core rigidities. Valuable knowledge and skills become rapidly outdated, often at a rate faster than many people's learning capacities (Meldrum and Atkinson, 1998). Failure to challenge the status quo can easily lead to a phenomenon that Meldrum and Atkinson refer to as the "failure of success" This is a scenario where a company assumes that its past success will ensure its future success. (Bwibo, 2000) has shown that successful changes in organizations depend on the change agency and the organizational change competency.

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### 2.4.2 Forces of Change

All managers do handle the day's issue as they prepare for the future. According to Bwibo (2000), they need to know they can count on their best strategic weapon for their information age i.e. a change adept organization. A change adept organization anticipates creates and responds effectively to change few managers today can boost to be ready for change. Consequently, surprise changes have become a challenge to many managers both in profit and non-profit making organizations.

Change is often said to begin with a vision but it often works best when it begins with a careful diagnosis of both strengths and weaknesses leaders do not question whether to change but they want to know how. The changes that may put a company out of business according to Handy (1986), are those that happen outside the light of its current expectations and that are the source of most change in today's business environment.

The current expectations would be due to the internal and external pressure. Internal pressure includes adequate organizational structure, lack of confidence, fear of change, lack of experience, cash flow problems among others. On the other hand, external pressure include recession, high interests rate, new products, technology change, domestic competition etc. change may also be brought about by change in company vision and ownership. A vision creates a compelling context for change and an inducement for employees to try something new (Bowman 1987).

The stimulus to strategic change lies in one or more triggering events (Hunger and Wheelen 1998). Arrival of a new Chief Executive Officer may trigger events and so would be threat of a change in ownership.Therefore,in management of strategic change the systematic orientation of strategy, structure, styles, systems, shared values, shill and staff so as to attain

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desired goals and also produce adept organization(Meldrum and Atkinson (1998).A firm needs to do a strategic diagnosis so as to determine the changes that have to be made to a firm's strategy and internal capability in order to assure the firm's success in the environment. Environmental turbulence is a combined measure of changeability and predictability of the firm's environment.

### 2.4.3 Sources of Change

Change occurs mainly because organizations, as open systems must frequently cope with shifts in key environmental domains (Pearce and Robinson, 1997).According to Kiliku (2000), organizational change is the adoption of a new idea or behavior by an organization. Changes may also be generated by internal environment. Change generated from within the organization is endogenous while that from without is called exogenous. Organizational change can be caused by either external or internal forces.

External forces are those forces which the firm has no control over and can actually do very little in order to control them. The forces here include Change in demand for a firm's products or services, changing consumer preferences, action by competitors, and arrival of a new comer in the market among others.

Internal forces on the other hand are those that emanate from the organization itself thus the organization has control. They include, takeover of the business, need to change strategy as a result of external forces, need to introduce new culture, need to improve productive efficiency, need to improve quality of product or service.
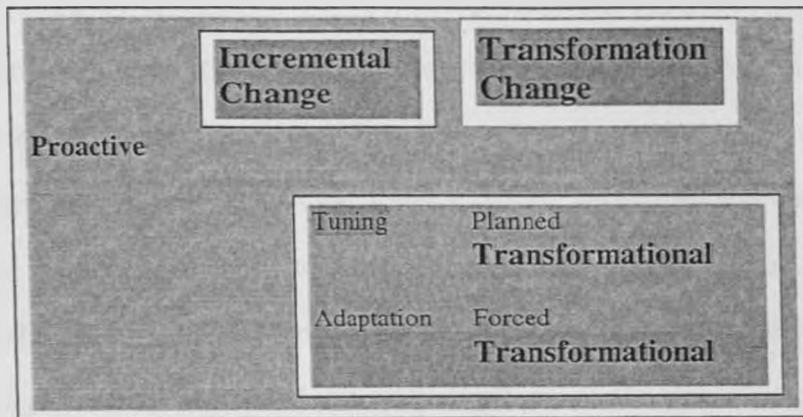
## 2.4.4 Resistance to Change

Kotter (1996), describes resistance as a multifaceted phenomenon which introduces delays, additional costs and instabilities to the change process. It may take the form of procrastination and delays in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than originally anticipated, efforts within the organization to sabotage change or to absorb it. Resistance to change can either be systematic or behavioral (Paton and McAlan,2000).Systematic resistance is one that occurs when the development capacity lags behind strategy development usually as a result of passive incompetence of the organization. Behavioral resistance on the other hand is as a result of employees who share a common thinking.

The main reasons for resistance are parochial self interests, misunderstanding or lack of trust, different assessments and low tolerance to change. In dealing with resistance to change, we educate and communicate especially in situations where there is lack of information. We should encourage participation and involvement where initiators do not have all the information they need to design the change and where others have considerable power to resist, we should facilitate and support where the resistance is caused by adjustment problems.

We should encourage negotiation and agreement where someone or group will clearly lose out in a change and where that group has considerable power to resist. We may also manipulate and co-opt especially in situations where other tactics are too expensive or may not work. Explicit and implicit coercion may work where speed is essential and the change initiators possess considerable power

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Figure No. 1: Nature of Change



Source: Johnson G & Scholes K (1999). Exploring Corporate Strategy. Prentice hall. 5th Edition. Page 497

Incremental being the main way could either be proactively managed where the firm is in touch with its environment and anticipates needs for change, this is called tuning. It could also be reactive when organizations react to external competitive or environmental pressures and this is called adaptation.

Incremental change can either be slow or bumpy according to Barbara (1999). Bumpy incremental is characterized by periods of relative tranquility punctuated by acceleration in the pace of change. Slow incremental evolves slowly in a systematic and predictable level. Change that can not be handled within the existing paradigm is called transformational change. It may come about as a result of reactive and proactive process. It is referred to as forced transformation when the organization reacts to the changed environment by changing current strategy.

## 2.5 Strategic change management studies in Kenya

Several factors have triggered changes in the Kenyan non governmental organization setting as mentioned earlier. A number of studies have been carried out on the effect of the changing business environment in Kenya. Sheikh (2000), investigated the impact of business environment changes on financial institutions. Kombo (1997), argued that the changed environment owing to liberalization led to the firms re-thinking their operations. Aosa (1992), investigated aspects of strategy formulation and implementation with large private manufacturing companies and observed that environmental turbulence tended to pose a challenge to strategic management.

Gekonge (1999), on management of strategic change practices in quoted companies in the Nairobi stock exchange identified and observed that culture greatly affects management of strategic change process. Other studies by Chune (1998), revealed that a changing business environment is likely to be the norm in the business world and managers of strategy must then anticipate it.

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Research Design

The research was carried out through a case study design that involves gathering facts, opinions of top management at Uzima Foundation.Kothari (1990), defines case study as a powerful form of qualitative analysis that involves a careful and complete observation of a social unit. It is a method of study in depth rather than in breath. It is essential here as it allows intensive investigation of change management practices at Uzima Foundation. The case study shall focus on Uzima Foundation which is one of the NGO`s registered and operates in Kenya. The purpose of the study is to document strategic management practices by the organization in response to the ever changing environment in which they operate.

The case study is ideal in this case because it enables the researcher to have an in depth understanding of the behavior pattern of the concerned unit. The chance of getting inside facts from experienced employees is also very high. The respondents are taken from eight top executives who were instrumental in the strategic change planning and implementation. These are, the chairman of the board, the executive director, the programme manager, the programme coordinator. the finance manager, two special advisors and two field officers

The case study method is a technique by which individual factor whether it is an institution or just an episode in the life of an individual or group analyzed in relationship with any other group (Odum and Katherine 1929).Kothari (1990), described case study as a comprehensive study of a social unit be it that unit. a person, a group, a social institution, a district or a community. The case study is a form of qualitative analysis where study is done in institutions or situations and from this study. data generalizations and references are made.

## 3.2 Data Collection

Primary data was gathered via an interview guide regarding management of strategic change practices. These were administered to the top executives identified in the respective departments. Secondary data is collected by checking the organization records such as financial statements, employee climate surveys, sales reports and any other documents relating to the performance of the organization. Both primary and secondary data were collected, thus providing several sources of information for verification and comprehension (Cooper and Schindler, 2003).

Trade journals and internal magazines as well as regional newspapers were scanned for relevant information pertaining to Uzima Foundation. Both qualitative and quantitative questions were incorporated as well as redundancy questions to cross check the answers. Changes that have taken place in the NGO's world cover the first part of the interview guide while the second part focuses on the responses to these changes by Uzima Foundation. The method of data collection is economical in terms of time taken to collect the relevant information.

## 3.3 Data Analysis

Data for this study needed in depth insights into the process of change at Uzima Foundation, hence the use of the interview guide. The interview guides were adequately checked and edited for completeness and consistency of the information. Data was analyzed using content analysis. This is a technique for making inferences by objectively and systematically identifying specified characteristics of messages (Holsti, 1996).

# CHAPTER 4: FINDINGS AND DISCUSSION

## 4.1 Introduction

The study seeks to bring out the findings from the inquiry conducted via the interview guide. The chapter presents the findings and then a discussion on the result gotten. The discussion is based on the known principles of strategic change management.

## 4.2 Profile of Uzima Foundation

Uzima Foundation has been in existence for over fourteen years. Its priority area is working with the youth in the socially challenging situations to facilitate development of capacities for individuals and groups. The slogan for Uzima Foundation is "touching a life". When Uzima Foundation was formed, it dealt a lot with issues such as aids awareness, gender promotion, reproductive health, prevention and support of HIV/AIDS victims, economic empowerment, peace and cultural promotion.

Uzima Foundation has 37 permanent employees and 15 casuals in its employment. The chief executive of the organization is the director. Above the director is the Uzima Foundation board headed by the chairperson. The director is also the secretary to the board. Below the director are three project managers, branch coordinators and then youth advisors. The organization has its headquarters in Nairobi and branches in Kakamega and Kisii.

(Table 1: Uzima Foundation Employee distribution by Location)

| Location | No. of employees |
|----------|------------------|
| Nairobi | 24 |
| Kakamega | 13 |
| Kisii | 15 |

Source: Research data

Uzima Foundation has a mission and objectives respectively. This is consistent with strategic management discipline. The vision of Uzima Foundation is to promote the experience of abundant life especially among those, whose quality of life is under severe threat. Like other non governmental organizations, Uzima Foundation aims to complement the government in the private sector.

The study too sought to find out if Uzima Foundation prepares long term plans and it was found that they prepare long terms objective plans in relation to what they offer. This finding is consistent with Ansoff (1994), assertion that organizations that perform strategic planning as a management practice set explicit long term plans and relation to products and services. Change management practices are thus meant to achieve long term objectives of the organization.

### 4.3    Change Management Practices and discussion

Uzima Foundation has experienced changes in the last six years. These changes range from structure, more service provision, expansion, competition, technology and funding. The main factor that triggered change was donor requirement whereby donors while giving their support spelt out what they expected of the organization. The Ford Foundation for instance insisted on development of a revolving fund among the affected youth as a means of empowering them. The friends of Uzima on the other hand were instrumental in the acquisition of the latest accounting system known as Data Transfer Interchange (D.T.I.) as a way of ensuring proper accounting report were generated.

Initially Uzima foundation dwelt much on HIV/AIDS awareness. In 1996 HIV/AIDS awareness rate stood at 34% according to the ministry of health report on HIV/AIDS report.

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The same report in 2006 put the rate at 93% meaning that most people had become aware of the disease and its prevalence. This lead to Uzima Foundation also having to change its focus which had been mainly on HIV /AIDS awareness. There was need to now focus on managing the HIV/AIDS situation other than jus creating awareness. Managing HIV/AIDS meant having to incorporate people from the medical profession who would have to work closely with the youth advisors in ensuring that the cases were handled well.

There was also a shift of focus to youth empowerment. These youths who had been rehabilitated and taught ways of making their own income needed to be released to the outside world to practice what they had learnt. Capital to start the programmes was definately going to be a problem hence the need for Uzima to start revolving funds for its youths where they could lend out money after assessing the youth groups proposals. This was to be followed by monitoring and then follow up to recover the loaned out monies. The establishment of revolving fund meant incorporating loan officers and programme assessors to the Uzima Foundation.

Donor funding has been on the decline in the last 3 years as per the table below

(Table 2: Uzima Foundation donations).

### Amounts in $ USD'000 & year

| Donor | 2006 | 2005 | 2004 |
| --- | --- | --- | --- |
| Ford foundation | 280 | 300 | 400 |
| RockerFeller foundation | 150 | 300 | 350 |
| Family health entertainment | 100 | 150 | 150 |
| Friends of Uzima | 200 | 250 | 300 |
| TOTAL | 730 | 1000 | 1200. |

Source: Uzima Foundation news letter, 2007

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Uzima Foundation has thus been forced to cut down on its costs and then seek alternative way of breaking even in their operation. Declining resources as a result of donor withdrawal has led to Uzima Foundation to rationalize some of its programmes. This is consistent with Burnes (1996), that these factors trigger changes in organization and thus managers should constantly analyze them and take them into account in their strategic change management process.

The services offered by Uzima Foundation have continued to attract many people especially the youth who want to be empowered socially and economically. These youths are spread across the country and in order to reach them, there was need for expansion and this is what resulted in branches, Kakamega and Kisii. Expansion here is seen as a strategy to respond to the large number of widely scattered population that also wants to reach what Uzima Foundation offers. This expansion changed Uzima Foundation from a Nairobi organization to a nationwide organization. The organizational structure has been affected by this since there has also been the introduction of branch co-coordinators.

The chief executive and senior management are the ones who initiated the change process. This result is in line with Burnes (1996), where any success in change management heavily relies on the initiator or the change agent. The change was also communicated by the director and programme managers mainly good flow of information from both employees and their seniors enhances chances of successful strategic change process (Bwibo, 2000).

The persons who were tasked with implementing the change were the project managers. The project managers at Uzima Foundation form part of the top management. This therefore implies that top management is critical to the success of any change process and should be

involved most in the change process. These are people who understand the operations well and can influence their employees towards successful implementation.

The change process was carried out gradually. This was due to fear of the unknown and the caution taken by management during the implementation. In gradually implementing management had to assess each stage of change before getting to the next one. Uzima Foundation did empower their staff with skills to cope with change. The staff was trained to understand the need for the change and how it was bound to impact on the entire organization.

The need to cut down on expenditure for example was understood by almost all. It was therefore least resisted when management for instance did away with the lunch allowance given to employees and instead outsourced the provision of lunch for the entire team. The accountant said this move saved them about Kshs. 150,000 every month. Unnecessary travels were also minimized and expenditure on such travels had to be authorized by the director.

There was resistance to change at Uzima Foundation and strategies to overcome the resistance had to be put in place. According to Patron and Mc Alan (2000), resistance to change can either be systematic or behavioral. Behavioral resistance was experienced at Uzima foundation whereby some employees with a wrong idea about the change thought the change would impact on them negatively. Some employees for instance thought they may be posted outside Nairobi as a result of the expansion programme hence tried to resist. The introduction of three programme managers, each in charge of a program had been viewed by some as a source of conflict since call the programmes were somehow related. This was another area of resistance.

In dealing with resistance to change, Uzima Foundation did involve almost the entire organization in the process. The employees were educated and counseled so as to understand the need for the change. Management too was able to listen to the resisters and therefore made good the touch issues. This is in agreement with Kotter (1986), where it is implied that resistance can be overcome if staff are involved in the change process. Managers should therefore endeavor to involve staff in order to avoid resistance. If staff are involved, they provide solutions and support to the change process.

The employees were involved in the change process for the number of reasons. There was need to obtain employee acceptance and support in the change process. There was need to involve employees so that they can feel like important stakeholders in the process of change as this was the only way to facilitate smooth change implementation. The result here implies that staff involvement is critical to the success of any change. Involvement of staff through identifying solutions and regular briefing meetings leads to change management success (Burnes 1996).

As a result of change process, Uzima Foundation was able to identify new opportunities for instance in the youth revolving fund management where they have been able to recognize the need to extend the same assistance to the older people. Even older people with this kind of help may end up living a better life and plans are in place to source for more funding so as to put such members on board. There has also been increased productivity among employees and general decrease in organizational costs.

It is observed that both planned and emergent approaches to change management models are evident in the management of strategic change at Uzima foundation. There was the champion of change model where the top management headed by the director led the process. The factors that influenced the strategic change management process were thus the organization strategy, donor funding decrease, technology, competition, donor requirement and changing needs.

# CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Summary

The objectives of the study were to establish how strategic change was managed at Uzima Foundation and factors that influenced these practices. In order to achieve these objectives, an interview guide was administered to the top executives in each department. The research findings were then analyzed using content analysis.

### 5.1.1 Management of strategic change at Uzima Foundation

Key findings showed that Uzima Foundation conducts long term planning. It has a mission statement and long term objectives that are consistent with the services that it offers. It was also clear that like in other non governmental organisations, Uzima Foundation has experienced a decline in donor funding in the last four years. The study also revealed that among the reasons for change at Uzima Foundation were donor requirements, high HIV/AIDS awareness rate, donor funding and competition for the same services. The main initiators of change were top management who played a role in the implementation.

### 5.1.2 Factors influencing strategic change at Uzima Foundation

A key feature of successfully changing organizations was found to be quality leadership. The professional orientation and previous experience of the Uzima Foundation managers significantly influenced the type of strategic planning activities adopted. The effect of employees in change process also came out clearly. Employee involvement is a factor that does influence changes especially if consistent with the organizational goals and objectives. The study shows that Uzima Foundation did experience resistance to change and this was handled well so as to succeed on the implementation.

## 5.2. Recommendation of the study

Strategic change management is becoming an important area in the management of almost all the organizations. With the ever changing working environment, it is paramount that organizations always scan the environment and then respond in a manner that ensure overall objectives and goals are attained.

The study therefore recommends to Uzima Foundation that strategic change management continues to be an integral part of their management and in fact dedicate and individual to the activities of change management. This shall ensure up to date change management activities. The study also recommends that policy makers uphold strategic change management and view it as a means of ensuring competitive advantage in this ever changing environment.

## 5.3 Limitations of the study

The study encountered several limitations. This included unfilled up interview guides and incomplete information. Some respondents could also not be reached.

## 5.4 Suggestions for further research

The organizational change at Uzima foundation is still at infancy age having been implemented over the last two years. It is thus recommended that a validation of the findings of these study responses from employees be done at a later future date, the evaluation of the success or failure of the change programme at Uzima Foundation is also recommended.

It is also suggested that a study to evaluate the significance of the champion of change in an organization undergoing change be carried. This is an important study which will critically examine the role played by the change champion and if it also determines the success of the entire change process. The qualities of the change champion and their impact on the success of change management will also be an interesting area of study

## 5.5 Conclusion.

Uzima Foundation engages in strategic change management. The organization sees the need for strategic changes and thus prepares plans to help in the attainment of expected results. A planned approach to change management is evident in the role of more programme managers who introduced new programmes in line with the goals of the organization.Uzima Foundation does recognize the fact that the environment in which it operates is ever changing and thus appreciates the need to keep changing the operating strategies as a way of succeeding in the turbulent environment. Cost reduction, outsourcing and establishment of a revolving fund for the youth are some of the means it has used to ensure it remains relevant to date.

In planning change, organizations must identify triggers of change, the need for change then prepare for the change itself. The change should then be communicated to stakeholders. There is need to involve and empower employees so as to avoid resistance which should be identified and overcome. Challenges associated with implementation are then handled.

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# APPENDIX 1: MANAGEMENT OF STRATEGIC CHANGE AT UZIMA FOUNDATION - INTERVIEW GUIDE

(Please answer the following questions by giving the necessary detail in the space provided)

Name of the Respondent: _____

Title of Respondent: _____

1. Who are the owners?

2. Please state your company's vision

3. Do you conduct long term planning?

Yes ☐

No ☐

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4. What changes have been experienced in the organization in the last 6 years?

5. Who initiated the change process?

6. Who was told about the change that was about to come

7. What was the time lag between when the change was this communicated and when its implementation started?

8. Who were involved in the planning for strategic change management in the organization?

9. Who were involved in the implementation of strategic change management in the organization?

10. How was the change carried out?

11. How were employees empowered to cope with the change?

12. Was there any resistance to the changes?

13. What kind of resistance was experienced?




14. How was the resistance overcome?




15. Which factors influenced change most in your organization?




16. What   change in organization structure have you had in the last 24 months?

17. What benefits did the changes bring?

        (a) To the employees

        (b) To the organization

*Thank you very much for taking your time to complete this interview guide*

# LETTER OF INTRODUCTION

August 2009.

Dear respondent,

**RE: QUESTIONNAIRE**

I am a final year Master of Business Administration student (MBA) at the University of Nairobi.

I am undertaking a study on the strategic management change at your organization- Uzima foundation.

The purpose of letter is therefore to request you to kindly fill in the questionnaire attached and give it back to me so that I can contribute to the body of knowledge in this strategic area.

Your cooperation will be highly appreciated.

Yours sincerely,

JOGINDER ORANGA

(Student)