

**MANAGEMENT OF STRATEGIC CHANGE AT KENYA  
INSTITUTE OF ADMINISTRATION**

**BY  
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for the Award of the Degree of Master of Business Administration (MBA), School of  
Business, University of Nairobi.**

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**DECLARATION**

This research project is my original work and has not been presented in any other University or College for the award of degree or diploma or certificate

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This research project has been submitted for examination with my approval as the University Supervisor

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## ABBREVIATIONS

ABE&RRC	-	The Associated Business Executives.
DPM	-	Directorate of Personnel Management
GOK	-	Government of Kenya
KIA	-	Kenya Institute of Administration
MDGs	-	Millennium Development Goals
OOP	-	Office of the President
PSC	-	Public Service Commission
TC	-	Treasury Circular

## **DEDICATION**

To the heroes and heroines who put their lives on the line and ushered Kenyans into the New Constitutional Dispensation and the New Republic.

## ABSTRACT

Management of strategic change has become a necessity in modern organizations. This is because organizational health is mirrored in its ability to strategically adapt to global influences on modern business. Globalization and internationalization of modern business requires organizations to develop a global philosophy and approach to business, globally acceptable approaches and technology, techniques and methods, quality standards, processes and products for global customers, global marketing approaches, strategic management practices, global vision of business, globally acceptable political systems to support and facilitate globalization of business and continuous benchmarking with the leading players in the industry.

Strategic management has become a global practice for managing strategic change. This is because it enables organizations to be responsive to environmental needs and changes, see competitive challenges in advance, achieve operational effectiveness, develop strategic objectives and actions, effectively mobilize and utilize existing scarce resources and develop effective directional policy. It has become necessary for organizations to continuously adapt their subsystems to enable them meet the requirements of the dynamics in the environment to guarantee their positioning, competitiveness and survival. This is because an organization, as a functional living organism, has to account for its existence by having a mission. Strategic management of change provides this answer.

The study sought to establish strategic change management practices at the Institute which, since its inception in 1961, has continued to operate in a constantly changing environment. This has been achieved by identifying the strategic change practices and internal and external factors that influenced them. The accomplishment of the initial Africanization process, competition for scarce resources, expansion of size and services, bad governance, increased democratization, International Monetary Fund's and World Bank's intervention and the government's reactive and proactive policy decisions fundamentally influenced the Institutes' strategic change management practices.

This case study employed interview, desk review, observation and content analysis methods to collect and process primary and secondary data. The study found that the Institute has over the years, strategically changed its purpose, physical infrastructure, technology, status, organizational structure, leadership, business, training content, scope and approaches. Strategic change is expected to continue in response to changes brought about by the promulgation of the New Constitution and the enactment of laws that will give it effect.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1. Introduction**

This study was carried out to establish the strategic change management practices at the Kenya Institute of Administration and to determine factors that influence these practices. To achieve this purpose, this chapter outlines the broad perspective of the concept of change and change management. The content, context and process of change are outlined as perceived by various researchers. The profile of Kenya Institute of Administration is given. Research problem, objectives and envisaged significance are outlined.

#### **1.1.1. Concept of Change Management**

Change is to make or become different according to Harigopal (2001). It is dissatisfaction with the old bad state and a belief in a new better state. It is a decision making, problem diagnosis and solving process. Nickols (2007) upholds that it is a systematic planning and managing of a difference. It is a purposeful endeavor aimed at achieving higher performance, accepting new techniques, obtaining greater motivation, increasing cooperation, reducing labour turn-over, increasing adoptability and changing employee internal behavior Geiner and Barnes (1970).

Change is either planned, unplanned, incremental or revolutionary Burnes (2004). It can also be reactive, proactive, happened, anticipatory, directional, fundamental, total or transformational Harigopal (2001). It can also be unmanaged or imposed, ABE&RRC (2008). It can also be first-order or second order French and Bell (1999). In first-order change, some features of organization change but the fundamental features of the organization remains the same. In second-order change, the nature of the organization become fundamentally and substantially altered.

Change can be multi-casual and non-linear natural in causes and form Strickland (1998). It can also be a political-social process and not an analytical-rational one, when political considerations are taken into account. Its critical success factors are the organizational

structure, culture, organizational learning, managerial behavior and power politics according to Burnes (2000). Change may happen at an individual, group and organizational level Burnes (2004).

In all changing organizations, managers have a role of creating and fostering a helpful organization climate in which productive change can emerge. For change to happen it requires change leadership, change managers, change mavericks and change agents. Change leadership is the process of influencing and inspiring others to start a process of change that will lead to the achievement of a desired future state. Change managers are people who manage planning, coordination and implementation of activities in the change process. Change mavericks are individuals who are “ahead of the game”, challenging existing paradigms and constantly thinking of radical, new and improved ways of working. Change agents are people who assist and coach leaders and managers throughout the change process. Stolt (1997) calls those who seek change climbers, those who are neutral campers and those who resist change quitter.

Change management is a task, area of professional practice or body of knowledge and a control mechanism Nickols (2007). According to French and Bell (1999), it is the continuous process of aligning an organization with its market place and doing it more responsively and effectively than competitors. Alignment is the continuous synchronization of the four key management levers-strategy, operations, culture and reward.

Strategic change, according to Johnson and Scholes (2002), involves decisions and actions concerning the organization as a whole or most of the organization components and is undertaken for a long time. It uses huge resources and is fundamental in effect. It is initiated by top management and involves one time decision. It involves changes at corporate and business levels. It has organizational wide impact, is futuristic, long term and is about effectiveness.

According to Worley (1996), strategic change is a proactive and structural approach to address the people and organizational risks inherent in any change effort that will optimize the realization of business benefit and sustain long term performance. Hills and Jones (2001), states that it is a process of moving an organization away from its present state towards some desired future state to increase its competitive advantage.

On his part Handy (1989), defines strategic change management as the actions, processes and decisions, which are executed by an organizations' members to realize their strategic actions. Strategic change management arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It calls for the need for organizations to enhance their readiness and ability to initiate and implement change. This involves increasing the capability to align and realign policy, systems, styles, values, staff and skills to realize strategy.

### **1.1.2. Profile of Kenya Institute of Administration.**

The Kenya Institute of Administration (see Appendix I of Organograph) is a training, research and consultancy State Corporation under the Ministry of State for Public Service (formally the Directorate of Personnel Management (GOK2. 2004), (GOK1. 2004) and (GOK. 2008). It is a body corporate with perpetual succession capable of suing, being sued, holding and alienating movable and immovable property (GOK 1987).

The organization was administratively established in 1961 by the Colonial Government to prepare African staff cadre who would replace the European and Asian Civil Servants who were to leave shortly after Kenya attained independence (Hyden et al 1970). The institute facilitated the smooth "Kenyanization" of the Public Service and has since continued to perform its mandate of developing professional technical and managerial capacity of Public Servants (KIA June, 2009). It is an internationally recognized Management Development Institute. At its inception, the Institute focused mainly on the Department of Public Administration for the training of Administrative Officers. By 1969

it had Departments of Executive Training, Local Government Training and Social Development.

The Institute attained its State Corporation status in 1996 through the Kenya Institute of Administration Act number 2 of 1996 that legally established it. The Act mandates the Institute to provide training, consultancy and research services on commercial basis which are designed to promote national development and standards of competence and integrity in the Public Service, State Corporations and Local Government, provide training, consultancy and research services on commercial basis to persons, local or foreigners in the private sector, provide training to promote a culture of decency, honesty, hard work, transparency and accountability among Public Servants, conduct examinations and award diplomas and other forms of suitable awards to the successful candidates, and do all such other things as appear to be necessary, desirable or expedient for the proper discharge of its functions under the Act.

The Institute relates with the Ministry of State for Public Service on policy issues on the basis of Principle – Agent relationship (Kast et, al 1972). This is because the Ministry is responsible to the Government for Human Resource Management and Development, Performance Management, Reforms and Public Service Innovations as well as Management Consultancy Service. The Institute also enters into Performance Contract with the Ministry.

There is also an existence of interdependence relationship in which the policies of the Government through the Ministry affects the operations of the Institute on one hand while on the other hand; the quality of services offered by the Institute to the public sector influence the quality of service delivered by the Government. Through its Corporate Governance arrangements the Institute's Council is responsible for anticipating changes likely to impact the Institute and executing change management strategies. As a social organization, the Institute interacts with its environment from which it gets resources and to which it deposit its products and services.

The Institute has continued to operate in the ever changing global and natural environment characterized by: the rise of oil prices in the 1970s and the decline in Kenya's terms of trade, domestic inflation the early 1980s and the world recession of the same period, the devastating drought of 1984 (G.O.K 1986), the wind of democratic change and multi-partism in 1990s, the Structural Adjustment Policies changes, the Social Dimension of Development Policy changes, Constituency Development focus, Globalization and Liberalization of business, Public Service Integrity Policy changes, Civil Service Reform Programmes 1993-1998, 1998-2001 and 2003-2007 (G.O.K 2008), Guidelines on Deepening Ministerial Rationalization (GOK1 2002), Performance Improvement Programmes (GOK2. 2002), Economic Recovery Strategy for Wealth and Employment Creation Strategy (GOK. 2003), the 2007 Post Election Violence in 2008, the recent drought and famine, the Global Financial Crisis, the implementation of Vision 2030 (GOK1 2007) amongst others.

The analysis of the organization's internal strength and weakness as well as its external opportunities and threats reveals that it is endowed with knowledge of operations of public sector, business flexibility, and reputation for quality service delivery, increased goodwill from government and strategic positioning in government reform agency. It is however disadvantaged in physical facilities, dependency on central government market, implementation, monitoring and evaluation of Quality Management Systems and Corporate Strategy, Information, Communication and Technology infrastructure, marketing strategy, standardization and branding of training materials.

It is mainly threatened by increased competition in the market, changing stakeholders' expectations and global financial instability. Its opportunity for survival rests in the formation of collaboration and strategic alliances, government's commitment to staff training, development and public sector reformation, penetrating regional markets, diversifying products and improving its effectiveness and efficiency in service delivery.

### **1.1.3. Research Problem**

All organizations exist to achieve certain purposes in a given point of time. Hilton (1991) observes that most organizations exist to make profit, to grow, to achieve financial self-sufficiency, minimize cost, to achieve product leadership, diversify market, produce quality products, preserve environment and achieve corporate social responsibility. The purposes are achieved through exploiting and transforming various resources from the environment to produce consumable outputs. The outputs are also consumed by various consumers in the environment. Organizations therefore possess a service and dependent relationship Ansoff (2007) with their environment. The attainments of organizational purpose are always affected by the changes of forces in the environment.

As organic systems, organizations are forced to align their limited internal resources in order to adapt to the changing forces in the external environment to ensure their competitiveness and survival. This adaptation is a source of problem to nearly all organization because change is always a source of dilemma. This is because there is a general desire by organizations to change in order to remain competitive, adopt more effective and efficient technology and methods on one hand, while on the other hand there is a general tendency for organizations to resist change because they desire to remain stable and predictable in terms of output, costs and finance. The desire to understand how organizations deal with this dilemma makes change management an interesting subject of this study.

The Kenya Institute of Administration is worth studying because it exists in a changing environment with increasing competitors, changing customer tastes, diminishing resources, increasing technology, changing demography and changing political landscape. Scott (1995) maintains that these forces in the turbulent environment requires for organizational fitness which can only be guaranteed by ease with which organizations adapt to the changing environment. Its mandate also involves bringing about change management practices in the Public Service. Most organizations implementing change are usually faced with challenges of imbalances in the domain of power, resources,

information, benefits, trust, loyalties, scope, commitment and internal corporate conflict Kanter (1989).

Studies done on change management by researchers like Mbogo (2003), Muraguri (2007), Olunga (2007), Tomimy (2008), Ongaro (2003), Kiptoo (2008) Mute (2008), Nyamu (2009) and others have not covered management of strategic change at Kenya Institute of Administration creating a knowledge gap which this study will attempt to fill.

#### **1.1.4. Study objectives**

The objectives of this study are:

- i. To establish the strategic change management practices at the Kenya Institute of Administration and
- ii. To determine factors influencing strategic change management in the Institution

#### **1.1.5. Significance of the study**

The study provides an extensive and intensive analysis of strategic change and its management. It also present a useful studies of renown researchers in the field of change management and organizational development and a range of useful approaches and models used in one document that ease referencing. The result of the study will add to the Institute's existing authoritative knowledge, logical knowledge and empirical knowledge. It will form the foundation for carrying out future and replicate researches. Managers of similar organizations will be able to borrow a leaf from the strategic change management approaches deployed in the Institute to implement their change initiatives.

It will give a documentary account of the life history of the Institute and provide evidence of efforts to make it a continuously improving and learning organization. Stakeholders will be able to appreciate their participation in the improvement of the Institute and are likely to redouble their contributions. The study will also qualify the author for the award of the Degree of Master of Business Administration (MBA), School of Business, University of Nairobi.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

In this chapter organizational change is analyzed within its environmental context. The Systems theory perspective is used to understand the interdependence between organizational parts and between organization and its environment. A comprehensive literature review is presented on change management, approaches for managing change, resistance to change, overcoming resistance to change, organizational change models, institutionalizing change and a brief concluding summary.

#### **2.1.1. Systems Theory Perspective**

This perspective considers organizational change with reference to the change forces from organization's immediate environment in addition to those from within the organization's internal environment. It analyses the relationships between organizational inputs, outputs, throughputs, environment and feedback. This perspective recognizes that change is preconditioned by increased changes and uncertainty in the environment, organization's structural, strategies and technological obsolescence.

It sees change as a production, political, cultural as well as economic problem and process. It calls for the use of mission, strategy, structure, administrative procedures and human resource management practices to align the technical, political, cultural and economic systems. It takes a holistic view of an organization as a functional system composed of subsystems.

In illustrating an organization as a system, McGregor (1967) defines a system as an assembly of interdependent parts whose interaction determines its survival. Interdependence means that a change in one part affects other parts and thus the whole system. Guest (1977) identifies four critical organization sub-systems namely which constantly interact with each other and with the environment: administrative/structural subsystem concerned with authority and responsibility, decision making/information subsystem concerned with decision making and communication processes, economic/technical subsystem concerned with cost-effective achievement of goals and

human/social subsystem concerned with influencing behavior of organization members through motivation.

As an open system, organization engages in transaction with a larger system: society from which it gets inputs in the form of people, materials, money and energy. It discharges in the environment outputs in the form of products, services and rewards to its members.

As an organic system, it is adaptive in nature by changing its nature as a result of changes in the environment. Schein (1965) maintains that for the adaptation process to succeed, an organization has to sense changes in internal and external environment, import change information to the subsystems for action, use the information to change conversion process, stabilize internal changes and manage wastes, export new products to the environment and sustain a feedback mechanism. Its behavior also causes environment to change.

As a socio-technical system organization is an assembly of buildings, manpower, money, machines, processes, technologies and human relations. This human relations and behavior determine the inputs, the transformations and the output of the system.

Organizations interact with the environment in a give and take relationship. Organizations continuously monitor changes in the environment and adjust accordingly to make it able to match with the requirements in the conditions in the environment. Effective adaptation to environment requires an organization according to Schein (1965) to be able to sense changes in internal and external environment, import relevant change information to relevant subsystems for action, change production process according to information received, stabilize internal changes and managing the undesired consequences of change, importing new products in line with the changed environmental conditions and obtaining feedback of the effected change through further environmental scanning.

For an organization to develop these abilities, it has to, effectively receive and relay valid and reliable information, be internally flexible and creative in making required changes, committed to change management and develop internal organizational climate that support change, free communication and change actions. From this perspective, it is evident that the Institute has a purpose, leadership, structures, systems, strategy, skills, culture and external environment with which it interacts in a dynamic manner and therefore, the subject of this study.

### **2.1.2. Change management re-examined**

Scholars including Harigopal (2001), Burnes (2004), Bennis (1966), French and Bell (1999), Kotter (1996) and others agree that change is a movement, the making of something different, becoming something different and creating something different. It is a movement from an old state to a new state of being. It is a difference in form, appearance, character and disposition. It is a factor that influences performance and improvement. That to successful organizations, it is the movement of people from a current state to a defined, different, improved, a better and desired state through a set of planned and integrated interventions. Meyer and Botha (2000) maintain that changing organization must be dissatisfied with its current realities, have a desired vision or new state, develop a change plan and implement the change plan. It is also seen as a movement from current organization's performance to future performance.

In predicting the nature of future organizations, Kotter (1996) gave the characteristic difference that will be manifest in the structural, cultural and systems composition of organizations in the 20<sup>th</sup> and 21<sup>st</sup> Centuries. Carnal (1995) state that change take place when the sum of dissatisfaction with status quo, vision of the future, practical first steps to implement change and the maintained change momentum (vision) are greater than the cost (economic, psychological and time) of change.

Scholars including Quinn (1977) and (1988) are in agreement that change is either planned or unplanned. The planned change is deliberate, orderly, systematic, evolutionary, proactive, participative, logical and incremental. To bring about planned change, organizations collect and utilize appropriate environmental information over a long time frame, share the information, assimilate and internalize it before adjusting its systems progressively.

Incremental change increase confidence amongst employees reduces organization's dependence outsiders to provide the impetus and momentum for change. Planned change is suitable in a stable, highly centralized, and formalized environment with plenty of resources. It assumes that managers are capable to anticipate changes in the external environment for opportunities and risks and able to control change. It also assumes that organizations are run by intelligent and proactive managers.

Unplanned change is abrupt, revolutionary, reactive, fast, great and transformational arising from environmental turbulence. It is a function of unpredictable changes in the organization's environment requiring urgent response for realignment. It may arise from diversification, acquisition, and merger.

It may result from shut downs, industry reorganization like change of ownership, response to regulations, competition or major technological breakthrough that changes production costs, efficiency and speed that calls for a radical change through appropriate strategy. It may take the form of reengineering, restructuring, quality programmes, strategic change, business process outsourcing and culture change. Success, acceptability, sustainability, enthusiasm and time frame for implementing change also differs according to whether it is coerced or collaborative.

Scholars also agree that change is caused or driven by various forces operating in the organization's environment. Kotter (1996), Peters (1987) and (1990), Bennis (1969), Harigopal (2001), Cole (2005), Ivancevich and Matteson (1990), Robins (2003) and French & Bell (1999) also agrees that change is driven. Change drivers are the

opportunities or threats usually from the environment that negatively impact the organization's market position and customer base. They outline political, economic, technological, governmental, demography, social trends, global competition and changing customer needs and preferences as the external drivers that necessitate change.

Internal drivers are given as system dynamics, inadequacy of administrative process, individual group expectations, structural, technological, personnel issues, desire to increase profitability and resource constrains. Disasters and crises whether natural like drought, earthquakes, floods, famine, outbreak of diseases and lightning or artificial like environmental degradation, sabotage industrial accidents, political, legal, economic, technological, institutional like the failure of Electoral Commission of Kenya in 2007 Elections and cultural breakdowns are always considered as special drivers for revolutionary change.

Concerning change drivers, Meyer and Botha (2000) states that organizational change requires critical drivers. These include: management commitment to change, individuals commitment to change, clearly defined, understood and shared vision, effective change leaders, effective support structures, goals aligned to change process, valid and reliable change measurement tools, effective change problems solving mechanism, competent people with skills to manage change, effective communication for coordination, effective cost management and effective reward and recognition system for supporters of change. The magnitude, duration and impact of change are of major concern. Change is viewed in terms of business and people change.

The role of individual members of organization and organization's leadership are important factors to be considered in management of change. Change in organization is a manifestation of changes in individual's or group's knowledge, attitude and behaviors according to Heresy and Blanchard (1972). Change in organization depend on the number and preparation of its members and leaders who must think that change is necessary and sensible, feel that change is right and act to bring change.

According to Mclegan (1995), one individual develop the vision of a desired future state in the mind, then inspire and influences a few others known as creative minority of about one to two percent to share the vision. These creative minority, influence others to bring in to being a critical mass of about ten to fifteen percent. This group also inspires committed majority of about over fifty percent who strive to influence the competent majority of about ninety five percent.

According to Senge (1990) the change leader or manager must, create shared vision, determine and analyze the current reality of the organization, create shared strategies and action plans. He or she must manage strategy implementation and performance, select change team, build the team, empower the team and make them lead besides creating mental model and conducive change environment. The manager or leader must provide effective role of a designer, steward and teacher Peters (1987) emphasizes that the leader/manager must, develop and inspire vision, manage by example, practice visible management, listen, defer to the front line, delegate pursue horizontal management, evaluate the love for change and create a sense of urgency.

As organizations implement change, managers are always advised to benchmark with the leading players in their industry. Benchmarking is the process of identifying, understanding, and adapting the best practices and processes of other companies to improve a firm's own performance. Benchmarking can be with the prime competitors, within internal departments and units and with outstanding companies and world-class performers.

Emphasizing the importance of teams, Duck (2000) advocates for the use of a transitional team which should oversee the large-scale corporate change effort by ensuring that all the change initiatives fit together. The team should consist of 8 to 12 highly talented leaders who commit their time. The team and changes they are trying to effect must be accepted by the power structure of the organization. The team leader who is a chief operations officer must be talented, credible, understand the long term vision of the company, have a

complete knowledge of the business and have the confidence of the chief executive officer.

The team's responsibilities are to establish context for change and provide guidance, stimulate conversation, discussion and negotiations, provide appropriate resources, coordinate and align projects, ensure congruence of messages, activities, policies and behavior, provide opportunities for joint creation, anticipate, identify and address people's problems and prepare the critical mass to implement change.

Commenting on the inevitability of change, Roger (1997 p.239) asserted that "change is inevitable: the problem is how best to harness change and use its consequences for the benefit of the organization". Noting that organizations should be able to initiate some change by themselves, he emphasized that, "organizations must learn how to respond and adapt quickly and effectively to the requirements of completely new circumstances".

From the knowledge from evolutionist scholars like Darwin, it is obvious that the species that survive are not the strongest nor the most intelligent, but the one that is most adoptable to change. Kanter (1997 p.27) emphasized the need of organizations to develop their capacity to create change in order to succeed in the market thus, "the success for companies today comes from the capacity to create change. Today products and services provide only temporary competitive advantage. Sustainable competitive advantage is based on organizational capabilities to master change". It is apparent that without change people and organizations will not develop further and risk becoming obsolete!

Change is a global phenomenon with global trigger forces. Peters (1987) and Kotter (1996) identifies globalization occasioned by economic recovery of Japan and Germany; emergence of Newly Industrialized Countries of Korea, Taiwan, Brazil, Singapore and Spain, shift towards market economies to Eastern Europe, Russia and China, emergence of economic Blocks, Technological Revolution changing customer tastes and preferences, global economic down turns and global environmental warming as the major forces that triggers change globally.

These forces have resulted to “values added” competition, availability of low cost high quality goods and services, availability of varied products and services, end of the United States of America’s policy of dominance, emergence of services industry, development of business networks through electronic business and search for new bases for competitive advantage namely: speed, flexibility, quality, alliances, innovations skills upgrading and value additions.

### **2.1.3. Approaches for managing change**

Researchers have developed various approaches used individually or in combination to diagnose and manage change. Content centered approaches focuses on the elements or what to be analyzed and changed. Those focusing on structure looks at guidelines, procedures, organizational charts, rules, budgetary methods, centralization or decentralization.

Those focusing on people look at training, attitude, learning, skill, competencies, motivation, behaviors, leadership, management, politics, and power selection and performance appraisal. Those focusing on technology look at job design, job description, work flow and methods, work standards, work processes, procedures and equipments. Those focusing on culture look at work orientation. Those focused on context look at time, speed and general environment.

In their work on process centered approach, Greiner and Barnes (1970) states that it focuses on unilateral power of change authorizer, new comer with power to initiate change through staff replacement, structural and relationship changes, collaboration or participation in change management as well as delegated authority to employees to initiate and enforce change.

The content, context and process orientation to change management was advanced by Pettigrew and Whip (1991). Content concerns the “what” of change, thus, what is to be changed. These may be targets, product, market, its objectives, purpose, goals and evaluation. Process focuses on the “how” of change, its formulation, implementation, management, models and patterns. The context concerns the where of change, its internal and external, political, business, and social, economic and cultural environment. They stated that the implementation of change is an “iterative” cumulative and reformulation-in-use process. The successful change is a result of the interaction between content (what), process (method) and context (situation).

They proposed that for the process to succeed, the following five conditions must be carefully handled: environment must be continuously assessed for the monitoring of competitors and other changes taking place through open learning; employees should be valued and trusted as a key asset of the organization; strategic and operational change management should be interlinked; organizational leaders should lead the organization forward by creating the right climate for change, coordinating activities, setting agenda for the right direction, right vision and right values and change strategy should be coherent , consonant with its environment, provide a competitive edge and be feasible.

The Mckinsey 7-S performance improvement framework was developed by Peters and Waterman Jr. (1982). It was to make organizations and people become competitive by changing strategy, structure, staff, style, shared values and skills. Strategy is a coherent set of actions for gaining a sustainable competitive advantage. Skills are distinctive capabilities possess by the organization as a whole distinct from those of an individual.

Shared values are ideas of what are right and desirable as well as fundamental principles and concepts which are typical of the organization and common to most of its members. Structure is the main features of organizational chart and how various parts are linked according to tasks reporting relationships and management responsibilities. Systems are the formalized processes and procedures through which things get done. Staff is the

composition and structure of the workforce, their skills and abilities. Styles are the way managers collectively behave with respect to use of time, attention and symbolic actions.

Commenting on this framework, Meyer and Botha (2000) explain that organizations need strategy to achieve vision, appropriate structure to support strategy, systems to support strategies, skills to deliver strategies, shared values to anchor change, appropriate management style aligned to deliver and skilled and motivated staff to deliver strategy. It provides for a holistic approach to manage change targeting elements of organization.

The overriding principle is that the elements of organization are so intertwined such that a change in one affects changes in other. The elements relate with each other and with forces in the external environment like customers, competitors, science and technology, suppliers, financial institutions, the press, labour unions governmental legislations and other natural and artificial events.

Organizations are also cybernetic thus, self controlling entities that adjust to the changes in their environment. This framework when used for changing organizational performance and competitiveness relates to that of Pettigrew and Whip (1991) as it focuses on content, context and process. Change can be brought about through either or all subsystems.

Some scholars relied on a combination of frameworks to analyze change. Dutta and Manzoni (1999) provide the 7-S framework and the Business Integration model to enhance the understanding of organizational change. They advanced that performance improvement is derived from the alignment of an organization's people, processes and technology with its strategy.

Therefore, a consistent and comprehensive organizational change Programme should incorporate independently and collectively incorporate establishing a customer focused strategic vision that will optimize long term success, organizing, motivating and empowering people to succeed ,redefining and streamlining business process to

implement strategic vision and to achieve maximum effectiveness and efficiency of all resources and applying appropriate technology to support streamlined workforce and to enhance customer supplier relationships . Change approach should holistically focus on strategy, technology, business process and people.

The effective management of change through holistic focusing on organization's purpose, strategy, structures, processes and monitoring and evaluation is also supported by Victor and Franckeiss (2002). They consider leadership and effective communication as critical determinants of the change process.

#### **2.1.4. Resistance to change**

Resistance to change is also a very common and inevitable phenomenon in people and in organizations. Generally people usually have no problem with change but with being changed! Research done by Bolognese (2002) revealed that resistance is variously defined as: behavior which is intended to protect an individual from the effects of real or imagined change; any conduct that serves to maintain the status quo in the face of pressure to alter the status quo; employee behavior that seeks to challenge, disrupt or invert prevailing assumptions, discourse, and power relations; cognitive state, emotional state; particular kind of action or inaction, and intentional acts of commission or omission and willingness to deceive authority.

Outlining top ten reasons why people resist change, Schuler (2003) states that: the risk of change is seen as greater than the risk of standing still, people feel connected to other people who are identified with the old way, people have no role model for the new activity, people fear they lack the competence to change, people feel overloaded and overwhelmed/fatigued; people have a healthy skepticism and want to be sure new ideas are sound, people fear hidden agendas among would be reformers, people fear the proposed change threatens their notions of themselves, people anticipate loss of status or quality of life and people genuinely believe that the proposed change is a bad idea. Senge (1990) observed that individuals may not always resist change, what they resist is

being changed. Kanter (1995) stated that change is always a threat when done to people, but an opportunity when is done by people.

Dent and Goldberg (1999) outlined six major conditions that cause people to resist change as: if the nature of the change is not made clear to people who are going to be influenced by the change, if the change is open to a wide variety interpretations, if those influenced feel strong forces determining them from changing, if people influenced by the change have pressure put on them to make it instead of having, a say in the nature or direction of the change, if the change is made on personal grounds and if the change ignores the already established institutions in the group.

Robins (2003) attribute individual resistance to old habits dying hard, selective information processing, fear of the unknown, fear of insecurity and economic loss. Organizational resistance on the other hand is attributed to structural inertia, limited focus of change, group inertia, threat to expertise, threat to established power relations and threat to established resource allocation.

Luesiers (2006) stressed the inevitability of change in the presence of resistance by referring to Platonian quote thus, “Change takes place no matter what deters it. Today, change is the only constant, and an organization’s long-term success is determined by its ability to manage change”. Most organizational changes are usually focused on organizations’ sub-systems. Lussier (2006) gives instances where corporations have effected changes of strategy at corporate level in the form of growth, turnaround and investment increases or decreases. Business level changes have taken the form of prospecting, defending and analyzing. Functional level changes have been effected in marketing, operations, finance, research and development, human resource and administration.

Structural changes have affected customer focus, unity of command, span of control, division of labour, coordination, distribution and exercise of authority, organization design and departmentalization, job design, job simplification, job rotation, job

enlargement, job enrichment and work teams. Changes in information communication technologies have taken the form of introduction of the use of computers, photocopiers, printers, fax machines-mail services, e-commerce, e-health, e-banking, e-procurement, internet services e-conferencing, e-financing, networking, e-processing, information processing and automation.

Changes in people have occurred in skills, knowledge, performance, beliefs, culture, and attitude and social relationships. It is apparent that organizations can not change without changes in people. People develop and implement strategy and structure; they create, manage and use technology. They are also the most important organizational resource. They provide leadership and commitment to change process. Most of them like change but dislike being changed.

#### **2.1.5. Overcoming resistance to change**

Robins (2003), Kotter and Schlesinger (1979) and Massarik (1980) agrees that depending on urgency, organizational preparedness and cost implication, managers can overcome resistance to change through the use of effective education, communication, employees' participation and involvement, provision change facilitation and support, negotiation the terms of change with stakeholders, manipulation, cooptation, coercion and gaining political goodwill.

Managers can also consciously and proactively move organizations forward incrementally i.e. in small bits. This involves incrementally creating awareness and commitment, amplifying understanding and awareness, building credibility by changing symbols, legitimizing new view points through legislations and rules, making tactful shifts and practical solutions, broadening political support, structuring flexibility, systematic trial and waiting, incrementally solidifying progress, creating pockets of commitment, focusing the organization, managing coalitions by formalizing commitments and empowering champions and continuing the dynamic of eroding

concerns, integrating the process and interests, establishing, measuring and rewarding key results.

The organization of the future has to like a chameleon, develop all survival equipment Doug (1997). It will be required to constantly adapt as per the environment demands. The chameleon organization will have to be flexible, committed to its members, develop and use superior teams, strong core competences and a taste for diversity.

#### **2.1.6. Organizational change models**

In the modern dynamic world environment, management of change has become a mandatory function of managers. Burnes (2004) and Harigopal (2001) outlines various models developed by researchers like Kurt Lewis (1975), Kanter (1992), Kotter (1996) and Bullock and Batten (1985) which have been developed and are being used to understand and implement change in individuals and in organizations. French and Bell (1999), state that the models are used to manage performance and change and are used depending on the results of the organization's diagnosis. The models overlap and are complementary. They are summarized below in addition to the ones given previously in this study:

The Ten Commandment of change model was developed by Kanter (1992) and state that change should be managed by: accurate analysis of the organization and its need for change, creation of shared vision and common direction, separating the organization and individual from the past, creating a sense of urgency for change, soliciting support of political sponsorship, crafting and implementing plans, developing enabling structures, communicating effectively, involving people and being honest and reinforcing and institutionalizing change. Eight steps change model was developed by Kotter (1996) states that change should be managed in the following eight steps: establish a sense of urgency, creating a guiding coalition ,developing a vision and strategy, communicating the change vision, empowering broad based action, generating short term wins, consolidating gains and producing more change and anchoring new approaches in the culture.

The three step model was developed by Kurt Lewin (1951). It provides that change can take place at an individual level, structure and systems level and at an organizational climate level. The change also happens in three steps namely: unfreezing, moving and refreezing, thus stabilizing the new behavior.

Action research is a cyclical change model with five steps. Cumming and Huse (1985) however, maintain that it has eight steps. It is a change process based on the systematic collection of data and then selection of change action based on what the analyzed data indicate. The steps are: diagnosis of the problem during which executives senses problems which can be solved through organizational development; consultation with a behavioral expert during which help of change expert is sought; data gathering and preliminary diagnosis during which consultant and members of the organization gather data using appropriate instruments; feed back to key client group in which useful and relevant data gathered are given to the organization ;joint problem diagnosis ,conduct of further research and problem identification; joint action planning in which joint problem solving methods are used and specific actions to be taken agreed on; execution of action plan to bring about change and monitoring, evaluation and review through data gathered on the extent of success and correction action is finally taken.

Organizational Development Model recognizes the use of change sponsor, advocates and agents who may be internal and external experts in the change areas. Bennis (1969) maintain that Organizational Development is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself. Beckhard (1969) defined Organizational Development as a planned organization wide effort, managed from the top, to increase organization effectiveness and health through planned interventions in organization's "processes" using behavioral-science knowledge. The sponsor is the organizational leadership with power to authorize change. Advocates are individuals who want change but lack power to sanction it.

Turners (1982) outline the work of consultancy as follows: providing the information to the client, solving a client problem, making a diagnosis which may necessitate redefinition of the problem, making recommendation based on diagnosis, assisting with implementation of recommended solutions, building a consensus and commitment around collective action, facilitating client learning i.e. teaching clients how to resolve similar problems in future and permanently improving organization effectiveness. The successes of change management through the use of these models are anchored on the principles of creating change agency, vision, empowerment and execution. These depend on the availability of change management competencies which will finally institutionalize the change process.

Four stage integrative model was developed by Bullock and Batten in 1985. It was founded on the premise that organizations exists in different states at different times and that planned movement can occur from one state to the other. The four stages are: exploitation in which decision is made whether to commit resources to change as member are aware of the problems that call for change. Terms of reference are developed and an expert is outsourced; planning during which problem is diagnosed, data on the problem is gathered, change goals and actions are set and designed; action in which change action plans are executed, data gathered on the extent of success and impediments and corrective actions are taken and finally, integration in which change is made a regular practice and feedback is obtained, motives and rewards are given to stabilize and reinforce the gained changes.

Learning organization model was introduced by Senge (1990). It states that learning organizations perpetually seek strategic change through learning, experimentation and communication to renew itself constantly. Organizations use knowledge and value based changes to improve their problem solving ability and capability for action. People in these organizations continually expand their capacity to create the results they truly desire, learn together and discover how they can create reality and handle change. Learning organizations are built through individuals' personal mastery, mental models, shared visions and team learning. Integrated learning is runned parallel to work. It relates

ability to change to ability to learn. Change strategy is developed through learning. Organizations are assumed to have learning climate and opportunities.

#### **2.1.7. Institutionalizing change**

Institutionalization of change is a process of making change to be a permanent phenomenon of the organization's life. Goodman and Deen (1982) and Huse et.al (1985) pointed out that change become institutionalized when everyone understand the expected change behavior, believe in it, performs it and acknowledges that others have also deemed it appropriate and consistent with broader organization values. Institutionalization makes change a permanent part of organization's normal functioning. It is the refreezing and long term persistence of change, making change part of organization's culture and shared vision. It is achieved through socialization of employees, increasing employees' commitment, allocating rewards, sensing and recalibration thus, determining whether the new work behavior are performed adequately and generating correct action if they are not.

#### **2.1.8. Summary**

The chapter has demonstrated the interdependence of elements of organization as well as the interdependence of organization and environment. The models and conceptual framework of change management have been used to present change as an evolving series of stages, phases, sequences as well as spontaneous intertwined processes.

Change management is presented as a problem solving activity starting with the diagnosis of the problem, planning for solving the problem, launching the commencement of problem solving process and finishing with a continuous process of monitoring, evaluation and review of the change management process and taking of corrective actions. Guest (1977) has indeed correctly concluded that organizational change is an extremely complex phenomenon. For it to be understood, one must take into account a variety of external forces at work, a complicated set of internal administrative-structural, decision-making, economic and technological sub-systems linked together through actions of human beings who in themselves constitutes a human/social subsystem.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1. Introduction**

This chapter contains the research design that was used and explains why it was used. It also explains the types of data that were collected, how they were collected, the main sources relied on, and finally how the data collected was analyzed.

### **3.2. Research Design**

A case study method was used as it was appropriate for carrying out a holistic, in depth and comprehensive investigation suitable for a study like this one on management of strategic change process. Creswell (2007) state that a case study research is a qualitative approach in which the investigator explores a bounded system (s) over time, through detailed, in-depth data collection involving multiple sources of information like observations ,interviews, audiovisual material, documents and reports then report a case description and case-based themes. Cooper and Schindler (2006) maintain that it provides a very focused and valuable insight to phenomena that may otherwise be vaguely known or understood. Kothari (2004) states that it places more emphasis on the full analysis of a limited number of events or conditions and their interrelations. It is also an intensive investigation particular unit aimed at locating the factors that account for the behavior-pattern of a given unit as an integral of a totality.

Case method is widely used in psychology, sociology, anthropology, political science, medicine, education and law as it enables exploration, explanation and description. It also enables a careful and complete observation of a social unit. The study will focus on the changes in the Institute's subsystems notably; its purpose, policy, corporate strategy, business, structure, technology, people management and physical infrastructure. The method is feasible as it will allow for the investigation of the interaction of changes in the subsystems. The method will enable an understanding of how the organization has managed change in its history.

### **3.3. Data Collection**

Primary and secondary data in the form of words was collected on strategic changes in the Institute's mandate, policies, strategy, businesses, physical infrastructure, information communication technology, quality management systems, corporate culture, people, customers and competitors. The informant was Dr. Margaret Kobia, the Director/Chief Executive Officer of the Institute and her deputy. This is because they are in strategic positions of authority and in charge of strategic information useful for the study. The deputy was instrumental in identifying important documents for the study due to his comprehensive knowledge having served for a long time in the Institute. They also presented both the Council and top-management perspectives of management of strategic change in the Institute.

Creswell (2007) state that data collection in case study research is typically extensive, drawing on multiple sources of information. Yin (1989) recommends six types of information sources namely; documents, archival records, interviews, direct observations, participant-observations and physical artifacts.

The data was obtained in both oral and written form. Oral data was obtained from talks i.e. interview and observation while written data from content analysis of documents (desk review) and preserved official records like reports, books, newspapers, Acts of Parliament, development plans, sessional papers and management programmes. The study used written structured interview schedule, content analysis of documents and observation. These tools enabled a trade-off between cost, speed, accuracy, detail, comprehensiveness, response rate, clarity and anonymity useful for validity and reliability.

### **3.4. Data Analysis**

Content analysis method was used to analyze qualitative data collected. Nachmias and Nachmias (1996) define it as a research technique that allows for objective, systematic and qualitative description of the manifest content of communication (symbolic behavior). It enables generalization. Strauss and Corbin (1990) argue that the method is

scientific as the data collected can be developed and be verified through systematic analysis. It also allows for the generation of detailed information. The data was then grouped and interpreted and presented in the chapters that follow.

## **CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS**

### **4.1. Introduction**

This project investigated the strategic management practices carried out at the Kenya Institute of Administration and the factors responsible for them. Data was collected by interviewing the Institutes Director and her deputy, desk review of reports, strategic plans, service charters and policy documents. Observation was also made of the physical infrastructures and content analysis method was used to analyze the data.

This chapter contains the findings on the strategic change management practices practiced at the Institute, why the change practices were urgent, the vision for the strategic change, how the change practices were implemented, how the change practices have been institutionalized and the factors that have influenced the change practices over the investigation period.

### **4.2. Strategic change management practices**

#### **4.2.1. Introduction**

This section present the strategic change management practice established to have taken place and continues to take place at the Institute. It attempts to establish whether the institute practices strategic change management practices or not. It also attempts to establish whether these practices were influenced by forces in the institutes environment or not. Explanations are given for the practices and their causes. The findings are also discussed in the light of other findings on studies on strategic change management.

On the basic of the fact that change is a movement from one point to another, to make something new, to create something that was not there and to respond to the forces in the surrounding environment, then, the strategic change management practices presented in table 1 bellow is appropriate for the institute.

**Table 1. Strategic change management practices at KIA**

<b>Serial Number</b>	<b>Strategic change management Practices</b>
1	Movement from Old to New Location
2	Development or Creation of Physical Infrastructural Facilities at the New Location such as Kitchen, Dining Hall, Administration Block, E-Learning and Video Conferencing Centre, Four Blocks of Halls of Residence, Lecture Halls, Library, Computer Laboratory, Borehole, 4 Tarmacked Parking Bays and automation.
3	Transformation into State Corporation from a Government Ministry's Department
4	Increased functions of research, consultancy, change management and provision of conference services to that of training.
5	Adoption of strategic management practices of environmental scanning, stakeholders' analysis, problem analysis, objective formulation, crafting of vision, mission statement, core values, service charter, action planning, resources allocation, monitoring, evaluation and review, performance contracting, performance appraisal.
6	Penetration into the regional markets of Juba in Southern Sudan, Tanzania, Uganda and Rwanda.
7	Intends to be a premier learning centre

The study found that the Institute had moved from its old site to its current new site. In this new site, it developed and continues to develop modern state of the art infrastructural facilities such as a kitchen and a dining hall at a cost of 120 million Kenya shillings, an administration block at a cost of 96 million Kenya shillings, residential blocks, conference centre at a cost of 64 million Kenya shillings and tarmacked an access road and parking bays.

It had also been transformed from a government department to a State Corporation. It has adopted strategic management practices comprised of continuous situational analysis, development and revision of vision, mission, problem analysis, strategic planning, strategic objectives, execution strategies, monitoring, evaluation and review. Its annual budgeting has been progressively increased for example rising from 33million Kenya shillings in 1996 to 300 million Kenya shillings in 2009.

The institute was also found to have expanded its mandate of training by including research, consultancy, change management and provision of conference services. It has expanded its markets to Southern Sudan, Tanzania and Uganda. It has also adopted Performance Contracting, use of modern technology, strategic human resources management and plans to be a premier center of government training.

The changes the institute has undergone through are strategic as they have affected the whole organization. The changes were a means of adapting to the changes in its environment. The changes involved decision making and taking actions to address organizational risks and increase its productivity and improve service delivery. The transformation was initially imposed but later managed through a process of planning. These change practices are common with other changing organizations except the physical change of site which is specific to the institute.

#### **4.2.2. The urgency for change**

This subsection explains what made the changes outlined in the above subsection urgent and a matter of life and death in the life of the institute. It presents the factors that motivated the institute to launch into the unknown. These are the actors that pushed the institute from its old location to the new location and those that induced it into creating new things in the new site. The movement into the new site in 1989 was made urgent by the need to allow University of Nairobi to occupy the old site. It was also a way of managing tension and conflict over the sharing of scarce resources that had arose between the two institutions occupying the old site together. As a result of the movement,

the institute lost 80 acres of its former land and 80% of its physical facilities to the University of Nairobi. It also lost some of its qualified staff who were either absorbed by the University or into the Civil Service. It lost its capacity to train and its reputation of training.

The institute had to redefine its vision and mandate to avoid extinction after it had accomplished its initial goal of training for Africanization. It had to develop its capacity to execute the new mandate after losing its physical facilities to the University of Nairobi. The new changes were required to enable it redeem its image. The need to be autonomous, financially self-sufficient and sustaining, efficient and productive made it urgent for the need to change its status into a State Corporation. The need to adapt to new management principles created the urgency to adopt strategic management which the government made mandatory in its Deepening Ministerial Rationalization Policy of 2002.

The need to improve service delivery and contain service delivery costs made it urgent to adopt new technology in service delivery. Penetration into the regional markets was necessitated by the need to capture the existing markets and increase revenue base. The inclusion of research, consultancy, change management and provision of conference services in its functions was made urgent by the need to establish why service delivery was deteriorating in the Public Service and the need to come up with better methods of improving service delivery besides meeting the unserved needs in the market. It is evident that pressures from external environment and internal deficiencies made it a matter of life and death for the institute which saw it prudent to launch into the unknown and survive than to maintain status quo and perish.

#### **4.2.3. Vision for strategic change**

Vision is the desired better future state. It is the envisioned future state. It includes the guiding core purpose and the core values to be observed during the process of managing change. It clarifies the direction of the desired movement and reflects the shared expected future which is to be “a model institution of excellence in management development and capacity building in the public sector”. This vision was crafted and developed through consultative and participative stakeholders’ processes of meetings, seminars, workshops

and validation. It is a product of environment scanning, problem analysis, objective setting, consensus building and strategy development. It aims at adding value to the gains made by the Institute during the execution of the old mandate.

It is effectively communicated to all stakeholders who are committed to it in service charter, strategic plans, website, reports, festivities and letterheads. It is anchored on the mission, which is the vehicle to take the Institute to the vision that is “to improve service delivery in public sector by providing quality training, research and consultancy services”. These are anchored in the Institute’s corporate values or standards of operations of team work, productivity, quality, creativity, innovation, accountability and customer satisfaction.

The vision, mission and core values inspire inclusive participation by stakeholders who think, feel and do things differently. It does not allow for “change survivors”, people who learn to live through change programmes without actually changing. Top management and leadership live the vision by walking the talk. Employees’ fears are continuously addressed as they crop up. Change culture and powerful change coalition have been created over the years. All changing organization must develop a change vision, mission and core values for them to succeed. This is a common practice confirmed in the literatures reviewed.

#### **4.2.4. Implementation of strategic change**

Implementation is the execution and actualization of the envisaged change. It involves systematic and logical actions and steps that leads to the realization of the desired change. The institute implemented these changes through programmes and projects. From information contained in its four strategic plans since 1996, implementation process started with the stakeholders’ analysis of the institutes’ context. Political, economic, cultural, technological, legal and social factors that may facilitate or inhibit change are continuously analyzed. The power and interests of stakeholders are also analyzed to determine how they can influence change and be influenced by change. Specific programmes and projects are designed and implemented to address specific change problems. For instance, the movement from the old site to the new site was designed to

address the capacity problem that confronted the government and the University of Nairobi. The development of new physical infrastructural facilities in the new site was to address its problem of capacity for discharging its new mandate.

Logical framework approach has been used to implement change by defining the change goals, purpose, outputs, activities, indicators, evidence, and assumptions before change is realized. This approach is internationally acceptable in management of change.

The implements strategic change through the use of a strong stakeholders' partnership of Ministries, Departments, Local Authorities, Regional Authorities, Civil Society Groups, Donors, Staff and KIA Alumni. The succeeding Principals, Directors like Mr. Alan Simmance, Mr. Charles G. Macharia, Mr. Habel Nyamu, Mr. Titus Gatere and Dr. Margaret Kobia and the Members of the Council provided strategic leadership, mobilized strategic resources and organized consultative forums and meetings. The government approved strategic change programmes and projects and provided initial finances however difficult it was. Ministries, Departments, Local Authorities, Regional Authorities and Civil Society Groups sponsor trainees at the Institute contributing to Institutes' income used to support change programmes, projects and activities. Donors provided funding for the Conference Center.

A systemic process of programmes and project planning, execution, monitoring, evaluation and review is applied. These processes are integrated in Result Based Management, Annual Work Planning, Performance Contracting, Performance Appraisal, and Rapid Result Initiatives for Quick-Wins. Planning process is linked to budgeting through the adoption of Medium Term Expenditure Framework. Progress is tracked through monitoring and evaluation. Obstacles or deviations are detected and overcome during reviews. Learning Organization, Action Research, Consultancy (Organization Development) and teams change models are used to implement strategic change at the Institute as they are the most appropriate to its purpose.

#### **4.2.5. Institutionalization of strategic change**

To institutionalize change means making change stick and become “the way we do things around here”, making it seep into the bloodstream of the organization. It is the rooting of new behaviors in social norms and shared values. It is a conscious attempt to show people how new approaches, behaviors and attitudes have helped improve performance. From the review of the fourth strategic plan and interview with the institutes’ Director, it was found that the institutes has institutionalize change management by various measures that include:

Entrenching it in section 12 of its Act of 1996 which requires the development of strategic plans, three year budgeting and annual reporting, change objectives and execution of strategic actions. Succession planning, strategic human resources management and strategic outsourcing have guaranteed change by providing change conscious employees. It has encouraged participative management that has encouraged Public Private Partnership for strategic change management. Staffs are empowered to make change decisions through experimentation of change ideas. Result Oriented Management practices, Performance Based Reward System, Quality Management System, Quality Auditing, pursuit of excellence and customer focusing have all contributed to institutionalization of strategic change management.

Change issues are discussed in meetings and highlighted in the institute’s newsletter. Effective budgeting ensures timely availability of resources for making things happen. on-priority projects are avoided or terminated in accordance with the governments policy of budget rationalization and Medium Term Expenditure Framework. Projects are properly coordinated and aligned to the overall institutes’ change objectives. Job rotation is practiced to encourage organizational learning. Conflicts are effectively managed as they arise. Periodic organizational audit is done to ensure that things happen as planned. The application of management practices is advocated for by all literatures reviewed as a precondition for effective change results.

Additional initiatives towards institutionalizing change include self-sufficiency and sustainable financial policies, business development and growth management approaches, strong sense of ownership and committed stakeholders, environment sensitive management approach, innovative approach to problem solving and the use of Information Communication Technology in delivering services. Effective project management strategies, effective stakeholder consultation, strategic talent management, benchmarking with institution practicing International Standards of Management, expansion of services to Southern Sudan, Uganda and Tanzania.

The benefit of institutionalizing change management has been demonstrated in its enhanced performance which earned it elevation to the status of Parastatal grade 4A from grade 4C from 13<sup>th</sup> February 2009 a fact that is stimulating it to aspire to become a National School for Government

#### **4.3. Factors influencing strategic change management**

Influencing factors are also known as driving and causation factors. They are forces which either caused, facilitated or inhibited change at the institute. They are the opportunities and threats that were identified in the external environment and weaknesses and strengths that were identified inside the institute. They include government's training policy changes, the desire to survive, donor influence, technological advancement, stakeholders' commitment and benchmarking.

In 1988 the government changed its training policy by giving priority the provision of facilities for maintained post-school training institutions, special institutions and the Universities. To provide the needed capacity to the University Education, the institute was forced to move from its old site to the current new site. The government prioritization of training of Civil Servants in the mid 1990s to date influenced the institute to develop and increase its new capacity in the new site to enable it discharge its mandate.

The desire to survive after completing its initial mandate compelled the institute to redefine its vision, mission, functions, core values and service charter. This also influenced it to adopt strategic management, performance contracting, performance

appraisal and commercialization of its business in line with new government management policy changes. The increased functions of research, consultancy and management of change were also necessitated by management malpractices in the Civil Service which was to be addressed

Its conversion into State Corporation was influenced by the World Bank and International Monetary Fund as part of reform initiatives which were a precondition for getting foreign assistance imposed on the government. This was aimed at restoring good governance, giving it autonomy necessary for its financial self sufficiency, operational efficiency and general productivity.

Government's policy on e-government, technological advancement in the world, the need to provide efficient and cost effective services to the customers influenced the introduction and use of e-learning and video conferencing and automation of service delivery systems and processes. Stakeholders' commitment to change, effective change leadership, a compelling vision and good corporate culture influenced the initiation, implementation and institutionalization of change.

The desire for the institute to be a premier institution of government learning has been influenced by extensive benchmarking. Other influences included the desire to be competitive in the dynamic market. The institute suffered lack of government's good will in the 1970s and 1980s which slowed the pace of change. However, from mid 1990s to date, the institute has continued to receive complete goodwill from the government that has enabled it to hasten its change management endeavours. Technological influences and governmental policy influences as well as the need to survive are common to changing organizations.

The government through the coordination of the then Permanent Secretary, Secretary to the Cabinet and Head of Public Service, Mr. Joseph Letting, the then Vice Chancellor of the University of Nairobi, Professor Phillip Mbithi and the then Minister for Education, Non .Peter Oloo Aringo gave the old Institute to the Department of Commerce of the University of Nairobi, forcing the Institute to move to the new site.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1. Introduction**

The research project on management of strategic change at the Kenya Institute of Administration introduced major concepts and dimensions of change and its management. It established the strategic change management practices at the institution and the factors that influenced them. The project employed a holistic approach to analyze change in the environmental context. Literature by renown authors and consultants in change management was reviewed. Approaches of managing change, reasons why employee usually resist change, methods of dealing with resistance of change, change management models and ways of institutionalizing change have been examined. A case study design was used. Interview, desk review and observation methods were used to collect primary and secondary data. Content analysis was used to analyze data whose findings are presented in table 1. The summary of the findings, conclusions and recommendations are as follows.

### **5.2. Summary of findings**

The study found that the institute moved from its old site to its current new site. This change involved strategic decision by top management. It determined the survival of the institute, involved the use of huge resources over a long period of time, it affected all stakeholders and it is irreversible.

The institute created and developed new infrastructural facilities that were non-existent by the time it shifted in 1989. It transformed into a State Corporation with new legal status, new mandate and new corporate culture. It developed new vision, core values and service delivery standards through a process of strategic management. It adopted new technology and ventured into new markets.

The strategic change management practices were found to have been influence by changes of government training policies, the institutes desire to survive the threat of extinction, international donor conditions for getting financial assistance, advances in technology, stakeholder commitment to change and benchmarking with management

training institutions like Kenya Institute of Management, United Kingdom School of Governance, Strathmore Business School and University of Nairobi Department of Public Administration.

The institutes' most life threatening situation was in 1989. During this time it summoned courage to abandon what it had for what it did not have, what it was for what it was capable of becoming. It re-invented itself by creating what was not, a new context, a new future and a new vision that evoked interest and commitment from stakeholders. It made a better choice of swimming instead of sinking to its death.

It developed adaptive culture characterized by an encouraged departure from tradition, continuous environmental scanning, strategic decision making and leadership, empowerment of change champions and setting up of mechanisms or solidifying change (Kanter (1983))

### **5.3. Conclusion**

With the formation of the New Republic under New Constitution, increased democratization, increased donor participation, development focused on Counties and Constituencies, disappearance of Districts, expansion of government and restructuring of Provincial Administration, the Institute is likely to undergo through fundamental changes in future through a change of programmes and products.

Like a chameleon, (Doug (1977)) it will continue to develop its survival techniques by constantly adapting to its changing environmental demands. Its organismic, flexible structure, commitment to its members, development and use of effective teams, core competences and taste for diversity will continue to guarantee its survival in future.

### **5.4. Recommendations for further studies.**

To further the understanding of management of strategic change in the Institute, this study recommends that future studies should be conducted on the effects of the implementation of Vision 2030 and the New Constitution on the strategic change management practices at the Institute. This is important because with the establishment of

new values, management principles, organization units, organizational structures and national aspirations, there will be increased need for training in an expanded scope, diverse content and approach. The cost and risks of managing strategic change at the Institute, the effect of strategic leadership in change management at the Institute and the policy changes that will affect strategic change management at the Institute beyond the year 2030. These will fill the gap of knowledge not captured by this study.

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