STAKEHOLDERS INVOLVEMENT IN STRATEGIC CHANGE MANAGEMENT PROCESS AT THE KENYA NATIONAL AUDIT OFFICE

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DECLARATION

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

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

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DEDICATION

I would like to dedicate this study to my Parents, Mr. and Mrs. Njoka for their relentless efforts to educate me despite their mean resources. There is no doubt in my mind that this study could not have been a success without their many years of dedicated support, counsel and above all love.

To my immediate family - Lucy, Alan, and Joy for continued encouragement and support. God Bless you all.

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LIST OF ABBREVIATIONS AND ACRONYMS

KENAO – Kenya National Audit Office

KNA – Kenya National Assembly

SAI- Supreme Audit Institution

ABSTRACT

Strategic change and its management form key in the long term survival of the KENAO. Given the turbulent environment in which organizations are operating today, they have no option but to identify and adopt the necessary changes to survive. It is on this premises that KENAO embarked on what can clearly be seen as incremental change program which given the responses, the market seemed to embrace positively.

The main objective for this study was to investigate the stakeholders' involvement in strategic change management process. This research was conducted through a case study by primarily employing semi-structured interviews with an interview guide and questionnaires as the main data collection instruments. The data was gathered from the employees of Kenya National Audit Office where primary data was collected for this study. On receiving the questionnaires, the data collected was checked and edited to ensure completeness, consistency, accuracy and uniformity. Data analysis was conducted using descriptive statistics, which usually includes measures of central tendency, measures of variability, measures of reliability and frequency among others.

From the study, it is clear that, strategic change and stakeholders management is important in the long term survival of the KENAO in the process. Given the turbulent environment in which organizations are operating today, they have no option but to identify and adopt the necessary changes to survive. It is on this premises that KENAO should embark on what can clearly be seen as incremental change program which given the responses, the market seems to embrace positively. Therefore, open and honest two-way communication must occur early and often, expectations are clearly set and everyone involved must be aware of the change, and why it's being done, who is impacted and how, what the roles and responsibilities are. The message must continually be reinforced throughout the organization by the multiple levels of management.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Management of strategic change is a method, or process of facilitating change and development in culture, structure, process, people and technology in use, leadership styles and even the physical aspects of the work environment. The strategic change process should aim at successful implementation of strategy. Successful implementation of strategy involves putting the strategy in place and getting individual and organization submits to go about executing their part of strategic plan (Thompson; Strickland and Gambler, 2008). In order to remain competitive in the long term, enterprises are compelled to undertake complex changes with increasing speed, efficiency and success. (Lilie, 2002). Strategic management though often used as a generic term to describe the process by which managers identify and implement their organizations strategy, it was originally applied only to quantitative, mathematical approaches to strategy (Burnes, 2004).

1.1.1 Concept of Strategic Change Management

According to Mintzberg (1994) change management is the process of introducing controlled change in an organization. The intention behind a change control process is to evaluate the risk, at end-user level, against the urgency and importance of the change. Organizations must establish a specific change control process for every type of change and consider a procedure specific to rapid and emergency changes. The creation of these processes must involve several interest groups. Successful change management is not only a matter of skill and expertise, but also a question of where the team draws its support from company hierarchy.

Strategic change can be defined as a difference in the form, quality, or state over time (Van de ven and Poole, 1995) in an organization alignment with its external environment is the "fundamental pattern of present and planned resource deployments and environmental interactions that indicates how the organization will achieve its objectives. Changes in this strategic alignment encompass a change in the content of a firms strategy as defined by its scope, resource deployments, competitive advantages and synergy (Hofer and Schendel,1978) and secondly changes in external environment and organization brought about to initiate and implement changes in the content of strategy. The common aim of all these strategic change concepts is to supply managers with better recipes for how to deal best with impending changes and problems which arise. Whether it is re-engineering, total quality management, restructuring or whatever other re-organization program, the aim is almost to initiate or promote the required change processes in the company (Pfeifer and Bisenius, 2002).

Kotter (1996) says that organizational change is any alteration of activities in an organization. This alteration of activities may be the result of changes in the structure of the organization, transfer of tasks, new product introduction, or changes in attitudes of group members or process, or any number of events inside and outside the organization. Today, the term "change management" takes on a variety of meanings. The most practical and useful definition states that, change management is the process, tools and techniques to manage the people-side of business change to achieve the required business outcome, and to realize business change effectively within the social infrastructure of the workplace.

In the last two decades most businesses globally have been undergoing drastic transformations in their environments. Industries currently in the throes of these upheavals include telecommunications, airline and trucking, transportation, health care, chemicals and pharmaceutical and financial services in general. In each of these settings rapid and radical environmental changes are restructuring industries, relocating their boundaries and changing the bases of competition. In particular, the influence of technological, socio- economic and regulatory changes and the subsequent globalization process has been a threshold in the evolution of competitive structure in these industries in relation to the previous decades, mainly in the 1950's, 1960s and the greater part of the 1970s. Throughout the previous period of relative environmental stability, the interest of scholars and businessmen was dominated by a focus on the potential explanatory factory of organizational success and growth (Peters and Waterman, 1982).

1.1.2 Strategic Change Management Practices

The strategic change management practice is a structured and systematic approach to achieving a sustainable change in human and organizational behavior. It involves moving the people in the organization from certain old behaviours to some new behaviours which are desired by the organization. Successful strategic change is built from an overall strategic management in the organization. The strategy of the organization is what legitimizes the change program. Change management involves some transitions from some current state which is undersirable to a desired future state, through a series of actions and activities (Burnes, 2004).

Change management is problem finding and problem solving practice in the sense that organization undergoing change must have identified a problem from the environment or from the way they have been doing things, it is the problem that makes the current state undesirable and hence the change. The change problem itself is the future state that needs to be realized and some current state that needs to be left behind as well as some organized practice of moving from some undesirable state to the desired future state.

According to Hardy (1994), managing strategic change is about managing the unfolding non-linear dynamic processes during strategy implementation. It involves change or alignment in policy, systems, styles, values, staff and skills of an organization to realize a strategy. The practice of managing strategic change involves more than just strategy. It encompasses the path from strategic intent to strategic realization (Carnall, 1990). Strategic realization is the formation of strategic intentions into actions through a series of organizational changes, actions and decisions (Strabel, 1996).

Despite the role and permanence of organizational change, change fails in some cases and the objective of initiating the change is not realized. This failure could be as a result of absence of a change champion or one who is to junior in the organization, poor executive sponsorship or senior management support, poor project management skills, hope rested on a one-dimensional solution, political infighting and turf wars, poorly defined organizational objectives, and the change team being diverted to other projects (Bridges 2004).

1.1.3 Stakeholders Management

The idea of stakeholders management, or a stakeholder approach to strategic management, suggests that managers must formulate and implement processes which satisfy all and only those groups who have a stake in the business. The central task in this process is to manage and integrate the relationships and interests of stakeholders, employees, customers, suppliers, communities and other groups in a way that ensures the long-term success of the firm. A stakeholder approach emphasizes active management of the business environment, relationships and the promotion of shared interests (Freeman and McVea, 2001).

Stakeholders are people and organizations who have some form of interest in the change, whether they are the targets of the change, managers or other interested parties. Stakeholders comprise of governments, local authorities and state corporations, development partners, consumer advocates, customers/ clients, competitors, media, employees, environmentalists and suppliers. A lack of stakeholder's management involvement is one of the key reasons why change processes fail, so understanding them and ensuring they are addressed in all plans and activities is a critical activity. It is important to manage stakeholders in change. In doing so, one of the things required is to segment stakeholders according to their needs, their importance and how handle to them. In this process there are sponsors to the management change. These are people or organizations with power and have a direct interest in the change process (Freeman, 1984).

The imperatives of professionalism, specialization, scale, geography and delivery to customers require those managing corporate organizations to divide them up. Thereby, directorates, divisions, groups, units, 'strategic business units' and 'spin- offs' are created. In practice this is further complicated by the many 'partnership', joint ventures and out-sourcing relationships. Thus the management of change requires the 'management of boundaries' both internal and external. All stakeholders need to be engaged, made aware of their contribution to the changes, aware of the processes of reporting, have access to that process and be capable of being called to account within that process (Carnall, 2007).

Stakeholders oriented strategies starts with identifying the company's key stakeholders and then defining their characteristics (threat or collaboration potential, influence and interest, importance to company survival, urgency of response, etc) which will determine the type of relation the company should build with them. Typical stakeholder relationships include: participative (Stakeholders involvement in decision making), advisory (stakeholder's involvement as reviewers or advisors), collaborative (stakeholders complementing specific capabilities), informative (stakeholders involved in one or two way communications), and defending (intelligence response, negotiation). Organizational and networking strategies provide a common context that guides the formulation of unified strategies for knowledge and stakeholders management (Katsoulakos and Katsoulacos, 2007).

1.1.4 Public Organizations in Kenya

The Kenya Government has been carrying out civil service reforms over the past decade by downsizing the core civil service, harmonizing pay and benefits and putting in place interventions to enhance civil service efficiency. The Government has shown tremendous commitment to accelerating the Public Service Reform to create a leaner, efficient, motivated and more productive institution that concentrates public finance and human resources on the delivery of core government services. Under Local Authorities Reforms the most notable one is implementation of the Local Authority Transfer Fund (LATF) and associated measure to strengthen local authorities' capacity to manage their finances and improve service delivery. Under Public Enterprise Reforms, one of the principal findings of the 2003 Public Expenditure Review was the inordinate level of funding which was transferred from core Government services to cover the debt incurred by loss making parastatals involved in economic activities that are generally more efficiently managed by the private sector. Therefore, the Government statement that it "remains fully committed to moving away from commercial activities that can be performed more efficiently and effectively by the private sector" is welcomed by the donor community, investors, and Kenyan consumers.

Flynn (1997) defines the public sector management sector as made up of the local government, the civil services and other statutory agencies created by government. The public sector according to Flynn (1997) includes all those state institutions which are charged with the responsibility of policy and delivery of goods and services that the government has committed itself to deliver. Jones (1992) see public organizations as ships in a deep sea with no radar or captain, they have bloated structures, over-bureaucratic system, wasteful, over-inefficiency and ill-motivated staff. They are malfunctioning and are in crises, they need drastic change in the present structures of development management.

According to Jones (1992) public organizations are seen as ships in a deep sea with no radar or captain, they have bloated structures, over-bureaucratic system, wasteful, over-inefficiency and ill-motivated staff. They are malfunctioning and are in crisis, they need a drastic change in the present structures of development management. There does exist an argument as to whether the public sector is distinct or unique in its management practice from those practiced in the private sector. One school of thought argues that there is a difference. Firstly they argue, public services have distinctive purpose, conditions and tasks different from those in private sector. Second private sector equity is determined by the market; while in the public sector need is the issue. Third decisions facing public sector management are different from those in the private sector. Fourth public services organizations complex, diverse and often competing objectives unlike in the private sector. Those who say that is no major distinctiveness, point out that the scientific management models developed by Taylor and Weber apply equally well in both private and public sector organizations (Rose and Lawton, 1999). In case, they add, current trend show that public sector organizations are being influenced heavily by the private sector management practices. The public sector is becoming entrepreneurial; adapting market oriented and competitive practices among other private sector practices (Osborne and Gaebler, 1992).

1.1.5 Kenya National Audit Office

The office of the controller and Auditor- General being part of civil service was established in 1955 under the Exchequer and Audit Act, Cap 412 and was subsequently entrenched in the constitution at independence in 1963. The Controller and Auditor –General who enjoys security of tenure is appointed by the president and vacates the office when he/she attains the prescribed retirement age which was set at 65 years in 2004. The office is governed by three statues, which are the constitution of Kenya, the Exchequer and Audit Act, Cap 412 and the Public Audit Act,

2003. Following the enactment of the Public Audit Act, 2003 (Which become operational in January, 2004), a Kenya National Audit Commission chaired by the Controller and Auditor General and the Kenya National Audit Office (KENAO) were established.

KENAO is a public sector organization, being the Supreme Audit Institution (SAI) of Kenya. The government of Kenya has been increasingly concerned with adapting and developing structures and values of public service institutions that will achieve grater efficiency and more responsiveness to public needs through widespread public sector reforms. There has been a rapid shift in the economic, social and environmental endeavors all over the world, more so due to globalization and enhanced public awareness of civil rights and obligations with regard to governance and public service, and the role of the public sector has evolved from a mere regulator to one that secures the welfare of every member in society. In this regard, KENAO plays a vital role in promoting accountability and good governance through the financial, compliance and performance evaluation audits, thus promoting economic, efficient and effective use of resources in the public sector in Kenya as well as supporting the public service towards results based performance.

The mandate of KENAO is enshrined in the constitution of Kenya and enabling Acts of Parliament. It is to carry out audits, within statutory set deadlines, and to assess the economy, efficiency and effectiveness of the Central Government, Courts, Local Authorities, National Assembly, Statutory Bodies/State Corporations, Commissions and other government agencies, and submit reports to parliament. The following are the core functions of KENAO, to approve withdrawals of finances from the consolidated fund, to ascertain that all funds that have been appropriated by parliament are applied to the purpose for which they were intended, to audit and report to the National Assembly on the financial statements of Central Government, all Courts, National Assembly, State Corporations and Commissions, and Local Authorities at least once in every year, to carry out regulatory compliance audit through ascertainment of compliance with legislation, policy, rules and regulations, to assess resources through Performance Audit (Value for money) and carry out Environmental Audit focusing on the environmental impact assessment for fairly new areas which have brought about changes in the organization.

1.2 Statement of the Problem

Change practices are by nature complex, but they must have clear priorities in order to be manageable. Excessive complexity is an inconsistent focus that is deadly to a program's excitability, especially to a company-wide program. The management of this process can make or break an organization. Where new corporate objectives have been set and the company wishes to shift to a desired state, the management of the process will determine whether this will be achieved or not. There numerous challenges that are normally experienced in this process. These challenges come in form of resistance which may involve delays, extra expenditure and destabilization to the change process (Burnes, 2004).

Strategic change and its management is key in the long term survival of public organizations in Kenya for which KENAO is part of. Given the turbulent environment in which organizations are operating today, brought about by fast changing technology and a very competitive environment. These organizations have no option but to identify and adopt the necessary changes to survive. Bringing change is one thing while managing it is another. Thiga (2002) suggests that if change is poorly managed, resistance is likely to be higher than properly managed strategic change. Moving from a current state to a new state is not an easy task. Challenges abound with the most prominent being resistance by those who prefer the known to the unknown. The strategic change management approach adopted plays an important role in the success of the process. Culture and leadership determines the success or failure of change. On the Kenyan public organizations scenario, organizations undergo change on a regular basis with an overhaul in structure, mission, vision and operations. The business environment globally is dynamic and competitive. Organizations have to introduce strategic plans that align them with their changing environments time and again. It is on this premises that KENAO embarked on what can clearly be seen as incremental change program which given the responses, the market seemed to embrace positively.

Scores of Scholars have studied different aspects of strategic change management and other related activities. Key among those who have carried out such studies include Mbogo (2003), Nyamache (2003), Mutuku (2004), Ndope (2007), Nyororo (2007) and Kisinguh (2006). However, a review of all these studies shows that there is no empirical work done in the area of strategic change management practices at the Kenya National Audit office, with the exception of the study by Kisinguh (2006), which addressed shareholders involvement in the strategic change management in public organizations. Kiini (2008), studied management of strategic change at KENAO. Thus the study of stakeholders involvement in strategic change management at the Kenya National Audit Office has not been undertaken therefore creating knowledge gap which this study endevours to fill. This research seeks to find out how stakeholders are involved at the Kenya National Audit office as it carries out the strategic change management practices. In so doing the research will also look at the factors that affected the strategic change practices.

1.3 Objectives of the Study

The objectives of this study are:

i. To establish the strategic change management practices adopted by KENAO.

ii. To determine effects of stakeholders' involvement in strategic change management at KENAO.

1.4 Value of the Study

The study will provide scholars with a blue print, which in turn provides valuable information on the stakeholders' involvement in strategic change management at KENAO. Understanding the KENAO will provide an incentive to further study this institution whose role has not been understood by many people for a long time.

This study will be of benefit to various stakeholders of KENAO who comprises of the government, parliament, other Supreme Audit Institutions, development partners, audit clients, employees, media, audit firms, local community organizations, suppliers and consumer advocates. The groups will get to know the advantages and disadvantages of stakeholders' involvement in strategic change management process in a government body and will have an insight to change management process in a government body and will have an insight to change management process in such public organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section draws on literature in the area of change management practices highlighting the importance of adopting and maintaining appropriate strategic change management practices so as to achieve effective and efficient service delivery. Secondary material such as books, journals, and articles which carry previous research work on the study topic are analysed. These materials are of importance to this study as they form the basis for observations which will be made during the case study in line with the study aims and objectives.

2.2 Strategy and Strategic Change

Seen from a sociological perspective, strategy presents two distinct faces- on one hand; strategies serve to structure, organize and give meaning to the complex operations of business organizations. They determine what is produced, where it is sold and how it is marketed, how resources are paid for and how they are allocated. They provide stability and direction, and help firms to cope with the uncertainties of the business environment (They shape the routines and discursive structures of an organization and, importantly, they are in turn shaped by these: strategies are recursively reproduced by the very practices they produce (Spender, 1989).

Organizations in different contexts are likely to emphasize different aspects of the strategic management practices. For some organization the major challenge will be developing competitive strategy, for others it will building organizational structures capable of integrating complex global operations, for yet others it will be understanding their competences so as to focus on what they are especially good at, and for still others it will be developing a culture of innovation strategic priorities need to be understood in terms of the particular context of an organization (Johnson, Scholes and Whittington. 2008).

Strategic change arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions.

Transformational change management involves challenges to long-established corporate values and top tam behavior (Beeby and Simpson, 1995).

According to Hill (2004) strategic change management is a process of moving on organization away from its present state towards some desired future state to increase its competitive advantage. They observe that most of the organizations have gone through some kind of strategic change as their management have tried to strengthen their existing core competencies and build ones to compete more effectively. Re-engineering, restructuring and innovation have been the three kinds of strategic change pursued in the recent times. Strategic change aims at aligning structures, systems, processes and behaviour to the new strategy.

Strategy enables organizations to cope with environmental challenges. According to Johnson et al. (2008), strategy is the process that matches resources and activities of an organization to the environment in which it operates. They argue that a strategic fit, which involves developing strategy by identifying opportunities in the environment and adapting resource and competencies so as to take advantage of them is essential and must be maintained at all times for organizational success. Strategies are influenced by the values and expectations of players in and around the organization and the extent of the power they exert. The culture within and around the organization also influence its strategy.

2.3 Organizational Change Management

Burnes (2004) observes that organizational change is an ever-present feature in organizational life. The pace and magnitude of change have particularly increased significantly in the recent years. In a survey conducted by the institute of management UK in 1995, 70 percent of the respondents reported that their organizations had restructured in the previous two years. In 1997, a survey by both the institute of management and the industrial society in the UK showed that there was no slackening in the pace of change.

Clement (2001) identified three key factors for organizational change. These are the prevailing corporate culture, the kind of leadership used to make changes, and the forces behind internal policies and the organizational power structure. Voelpel, Leibold and Streb (2005) believe that organizations need to develop an innovation culture and to produce replicators of innovation thinking which should be disseminated and embedded in the organization. This so-called "innovation memo management: provides innovative excellence (uniqueness, relevance, or speed) and helps an organization to survive to today's complex, networked, unstable, and chaotic business environment.

In recent dialogue concerning organizational change, there has been broad consensus that increasing environmental instability and uncertainty are forcing companies to change continuously (Brown and Eisenhardt, 1997). However, change itself is a risky, and often haphazard and improvised, process reaching unsatisfactory results in many companies, sometimes even leaving them worse off than before (Katzenbach and Smith, 1993). Farias and Johnson (2000) state that only about 50 percent of all large scale change interventions are successful. These factors have given management scholars and practitioners a like pause to solve the puzzle of how companies can ensure successful change.

Change processes are by nature complex, but they must have clear priorities in order to be manageable. Excessive complexity and an inconsistent focus are deadly to a program's excitability, especially to a company – wide program. So as they ask themselves what the right change would be, companies must systematically define what the focal points of the change will entail and what, as a result, those focal points will not entail (Bruch, Gerber and Maier, 2005).

2.4 Stakeholders in Strategic Change Management

An important part of making change successful is to understand the stakeholders, who range from a janitor at the bottom of the tree to a chief executive officer of a multinational company. An underlying area into which to dig when exploring and understanding stakeholders are their driving interests. Interests include general areas and specific items that motivate people in a number of different ways. When considering stakeholders who are opposing the change, undertake a deep analysis of their personality to give you better ability to manage their opposition and convert them to the cause of the change (Wilson, 2000).

There is increasing support for a view of corporations and stakeholders- accountable organizations, that challenges what until recently has been mainstream managerial thinking (O'shannassy, 2003). The stakeholder concept and strategic management introduces the notion that organizations have stakeholders whose support is necessary for survival in a contingent phenomenon. dependent on a number of situation variables. In order for the stakeholders approach to strategic change management to succeed, the executives of the corporation must be involved in the explicit formulation of an enterprise strategy or a completion for a stakeholder audit (Freeman. 1984).

It should go without saying that top management support and involvement is necessary for the success of any strategic change management. However, this is especially critical to the success of a stakeholder approach. Though poorly developed from methodological standpoint, stakeholder's analysis and approach now belongs to the long list of virtues and catchwords reigning over the field of development. The origins of stakeholders' analysis, however, belong to the history of business and managerial science. This is reflected in the term "stakeholder" itself, apparently first recorded in 1708, to mean a bet or a deposit. Economic theory centred on notions of stakeholder's relations which goes back to the beginning of industrialization and is embedded in ideals of 19^{th} century co-operative movement, and mutuality (Clarke and Clegg, 1998).

In the stakeholder theory, the modern organization must respond to the concerns of the various stakeholders in which it relates to, and in any event, must operate within the legal framework established by the moderate state (Carnall, 2007). Stakeholder theory reappears in business management discussions of the 1930's (Brugha and Varvasovszky, 2000) the word now refers to anyone significantly affecting or affected by someone else's decision making activity. The approaches to be used nowadays by firms and organizations is to factor in stakeholder interests in order to enhance the enterprises relationships with society and secure better prospects of financial success with the help of stakeholder analysis firm decisions can profit from views that go beyond the narrow interests of stockholders and shareholders investing in a business. Good stakeholder management develops integrated business strategies that are viable for stakeholders over the long-run. While individual stakeholders may lose out on some individual decisions, all stakeholders remain supporters of the firm (Mockler, 1994).

2.5 Drivers of Change

There seem to be two types of change projects; those focusing on changing the business and those changing business practices. Strategic level changes are required, when companies have to react to new competitive situations, or when taking the initiative to reposition the competitive edge of a firm. Correspondingly, the drivers of business (strategic) changes are various; they include external changes uncontrollable and unpredictable to the industry, such as tighter economic conditions, new legislation, advanced technology and changed customer/ supplier requirements. Some of the drivers call for radical changes, sometimes a more evolutionary approach is preferable (Jarrenpaa and Stoddard, 1998). The drivers for changing business processes are often due to internal inefficiency within a company's current operations, observed for example as high cost or low quality.

Throughout their existence organizations encounter many forces/drivers of change. The origin of these forces may be internal or external to the organization. Weick (2000) postulates that internal forces for change usually originate from inside the organization and may manifest themselves in signs such as low morale, low productivity as well as conflict. Basically internal forces for change can originate from problems related to human resource as well as managerial behaviour. Usually such problems would arise from the way the employee perceives his treatment at the workplace. Dissatisfaction among employees might be catalyst for change and must be addressed to avoid loss of productivity.

A trigger of change is any disorganizing pressure arising outside or inside the organization indicating that current arrangements, systems, procedures, rules and other aspects of organization structure and process are no longer effective (Huczynski and Buchanan, 2001). The need for organizational change can be prompted or initiated by many different triggers. External triggers for organizational change can include: development in technology; developments in new materials; changes in customers' requirements and tastes; activities and innovations or competitors; new legislation and government policies; changing domestic and global economic and trading conditions; shifts in local, national and international politics and changes in social and cultural values. Internal triggers for organizational change can include: new product and service design innovations; low performance and morale triggering training programmes; office and factory relocation closer to suppliers and markets; recognition of problems, triggering reallocation of responsibilities; innovations in the manufacturing process; and new ideas about how to deliver services to customers.

As Kotter (1996) points out, there is a difference between leading change and managing change. If leading change revolves around conceiving a clear goal as well as logic for how to achieve it, managing change deals with the actual realization of that logic in a controllable process. Another critical factor for the success of a change process is top management credibility. (Simons, 1999). So as to design the change, a company's top management must ask itself, what can be credibly implemented? What change can we really commit to? And what type of change will fit our style so that we will be able to support it authentically and whole heartedly later?

Davenport and Beck (2000) talks of the major economic and social forces driving change as, the increasing pace of technological changes that hinges on the information technology, a more advanced transport system, globalization, and the maturing markets in the developed countries, hence the need to explore new opportunities. Thus according to Kotter (1996), the resultant effect has been globalizations and increased competition, which has diminished the insulation previously enjoyed by firms.

2.6 Typology of Strategic Change Management Practices.

Creating a feeling for the urgency of change is crucial in order to get the required cooperation of employees and managers. If the need for change is not understood, it will be difficult to put a group together which has enough power and credibility to initiate the required change program (Kotter, 1996). One widespread and widely acknowledged typology of strategic change categorizes forms of organizational change according to different dimensions. A first dimension is the intensity of change, ranging from no change required to radical renewal of the company (Fopp and Schiessl, 1999). In this context, Nadler differentiates between incremental and radical change. The second dimension is the chronological positioning of the change. Here, a difference is made between anticipative and reactive practices. Using these two dimensions, Nadler (1994) draws up a matrix in which he positions the basic types of change of company strategy. In so-called tuning, future environmental developments are anticipated to increase company efficiency. In contrast to this, adoption means the adaptation of the company to the environmental changes. What tuning and adoption have in common is that the change is evolutionary, and starts off in subsections of the company. If the whole company is restructured anticipatively through fundamental transformation, we speak of a re-orientation. The alternative to this is reactive redesign, in which environmental changes are reacted to which have already taken plan (Nadler, 1994).

Experts have proposed various approaches to change management, predominant among these are the planned and the emergent approach. The planned approach which has been popular until the 1980s views organizational change as a process of moving an organization from one fixed state to another through a series of preplanned steps. The three step models by Lewin (1947) proposes that permanent change in behaviour and system within an organization involves un freezing previous behaviour, changing and freezing the new patterns. Central to the planned change is the stress patterns. Central to the planned change is the stress placed on the collaborative nature of the change effort, the organization, managers, recipient of change and consultants jointly diagnose problems and plan and design the implementation of the specific change. Under emergent approach a change initiative is most likely to succeed where near chaotic reality is recognised, and where the planning and process adapts to reality rather than trying to adapt reality to a convenient rational-linear process.

2.7 Obstacles of Change Management Practices

Change processes and practices are only successful if they fit a company current culture, traditions, norms and shared values within a company's selection of the change program (Herbaceous, 2001). Certain change practices and processes cannot be executed in more bureaucratic cultures, while other types of practices simply are not compatible with team-oriented or innovative/ dynamic. Organizations (Bruch and Ghoshal, 2004). In addition, the basic processes and practices of designing the program for a particular change should also account for company energy. Different types of change programs will be effective with companies characterized by comfortable inertia than for companies with other types of energy, such as change tiredness, high productive energy or resignative inertia.

2.7.1 Resistance to Change

It is well known that people are for the most part, resistant to change of any sort. This is especially true in the case of transformational change. In organizations, many factors come into play, such as fear of the unknown, habit, the possibility of economic security, threats to social relationships, and failure to recognise the need for change (Nadler, 1994). Such reasons will result in change that is ultimately stamped out and equilibrium returned, unless organization leaders step in to facilitate acceptance of the change.

According to Hutton (1995) managing change is so difficult because organizations resist change initiatives, frustrating manager's efforts to accommodate new environmental pressures. Unfortunately, there is a vast difference between knowing that resistance might occur and understanding where and why it will emerge. In the words of one executive, "change efforts never die because of direct confrontation. Direct confrontation you can work with because it is known. Rather, they die a death of a thousand cuts. People and issues you never confront drain the life out of important initiatives and results in solutions that simply do not have the performance impact that they should have". Resistance is so difficult to diagnose and confront because it usually emanates from the two sources, an organizations culture and its informal structure, which are most difficult to see. These forces influence the success of change initiatives in dramatic but invisible ways.

According to Ansoff (1990) resistance to change is a multifaceted phenomenon which introduces delays, additional costs and instability into the change process and practice. Resistance can either be behavioural or systematic. Behavioural resistance is exhibited by individuals, managers or groups. Because of parochial self interests, misunderstanding and lack of trust, differences in assessment, or low tolerance to change individual or groups may resist change. To overcome this problem there is need for those managing change to understand the needs of employees and also for employees to understand the change plan.

2.7.2 Organizational Culture

According to Johnson et al. (2008), organizational culture is the basic assumption and beliefs that are shred by members of an organization, that operates unconsciously and define in a basic taken for granted fashion on organization view of itself and its environment. The application of experience is rooted, not only in individual experience, but also in collective experience reflected in organizational routines accumulated over time. So strategies can be seen as the outcome of the collective taken for granted assumptions and routines of organizations. It is therefore important to recognize the significance of organizational culture in strategy development

Cameron and Green (2004) define organizational culture as the total sum of shared values, attitudes, beliefs, norms, expectations and assumptions of people in the organization. Thompson and Strickland (1993), argue that there must be a fit between strategy, structure, systems, staff, skills, shared values, style for strategy implementation to be successful (McKensey T's framework). They contend that organizational culture and values held by managers and other employees within the organization are key influences on strategies of change and are therefore central driving considerations in strategy creation and change.

Many research papers are concerned with the role of the organizational culture during change. Collins and Porras (1996) studied successful companies, such as Hewlett- Packard, 3M, Johnson and Johnson, Procter and Gamble, Merck, Sony, Motorola, and Nordstrom, and observed that the leaders in these companies understood how to preserve a core purpose and core values throughout the change process while the strategies and practices of these companies were adapted to changing environmental conditions.

Managing change however, is one of the greatest challenges and frustrations that any leader in today's workplace must face. Overcoming resistance and gaining acceptance from stakeholders can be as challenging as the change itself. Most interestingly, the problems resulting from dealing with change are rarely a result of the change itself. In most cases, problems can almost be traced to one of two factors these being lack of understanding surrounding the purpose for the change as well as the lack of clarity on how to implement the change. The challenge therefore lies in driving organizational change successfully, and with as few casualties along the way as possible (Mercuric, 2006).

2.8 Strategic Change Management Practices

The top management of any organization should seek the input on the proposed change from managers and they in turn must do so from the other employees. Those that disagree with aspects of the approach should not be beaten down for expressing valid concerns. Valid input should be considered and adjustments should be made. Top management should sponsor the change making it a priority and reflect it with their actions. Open and honest two-way communication must occur early and often. Expectations must be clearly set. Everyone involved must be aware of the change, and why its being done, who is impacted and how, what the roles and responsibilities are. The message must continually be reinforced throughout the organization by the multiple levels of management. Feedback must consistently be sought and acted upon. Measurable desired results must be spelled out at each level of the organization to include repercussions for not achieving the results. Progress must be reported, and those involved must be held accountable for the results (Burnes, 2004).

Bridges (2004) asserts that despite the role and permanence of organizational change, change fails in some cases and the objective of initiating the change is not realized. This failure could be as a result of absence of a change champion or one who is to junior in the organization, poor executive sponsorship or senior management support, poor project management skills, hope rested on a one-dimensional solution, political infighting and turf wars, poorly defined organizational objectives, and the change team being diverted to other projects.

According to the affirmation of Coetsee (1999), the principled approach that displays integrity and engenders openness and trust is necessary for the change management program to be successful. For change to be successful, the following ingredient are necessary, sponsorship – the change program needs the support of the top management and commitment of resources, planning – planning is conducted methodically before program implementation and committed to writing. Plans are agreed with major stakeholders and objectives, resources, roles and risks are clarified; Measurement – program objectives are stated in measurable terms and program progress is monitored and communicated to major stakeholders; engagement – stakeholders are engaged in genuine two-way dialogue in an atmosphere of openness, mutual respect and trust; support structure- program implementers and change recipients are given the resources and supporting systems they require during and after change implementation.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter will discuss the research design used in this study. The methodology applied, sampling procedure, data collection and data analysis technique will be explained. The discussion in this chapter will also include study limitations and ethical issues related to the study at hand.

3.2 Research Design

This research was conducted as a case study. A case study is preferred because it enables the researcher to have an in-depth understanding of the strategic change management practices at KENAO. According to Saunders; Lewis and Thornhill (2009) research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Out of a population of 150, 50 respondents were selected for the sample. Simple random sampling was used. The technique was suitable because it eliminates bias by giving each unit of population equal chance as the others.

3.3 Data Collection Instruments

This study primarily employed semi-structured interviews with an interview guide and questionnaires as the main data collection instruments. The data was gathered from the employees of Kenya National Audit Office. Interviews are queries that are made verbally (Kombo and Tromp, 2006). The interview is considered to be verbal questionnaire. The respondents provide information verbally and face-to-face. Mugenda and Mugenda (2003) assert that interviews require some assumptions and comprehension of a given situation unlike casual talks.

Kothari (2004) points out that semi-structured interview rely on the application of interview guides which have a list of questions that need to be covered in the interview. The study will collect comprehensive and systematic in-depth information about the target population using semi-structured interviews. These types of interviews are flexible and allow the researcher to collect in-depth information. Through the use of close and open ended questions, the researcher gets to comprehend the issue under study well.

3.4 Data Analysis

Primary data was collected for this study. On receiving the questionnaires, the data collected was checked and edited to ensure completeness, consistency, accuracy and uniformity. Data analysis was conducted using descriptive statistics, which usually includes measures of central tendency, measures of variability, measures of reliability and frequency among others.

According to Mugenda and Mugenda (2003) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Measures of central tendency usually give the expected score or measure from a group of scores in a study. Measures of variability, such as standard deviation inform the analyst about the distribution of scores around the mean of the distribution. Frequency distribution shows a record of the number of times a score or record appears.

CHAPTER FOUR: ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter discusses the data analysis, findings, interpretation and presentation. The objectives of this study are to investigate, strategic change management practices adopted by the Kenya National Audit Office (KENAO) in their change program. To determine the factors affecting change management process at KENAO. Where the data was analyzed using an analytical tool, presented by tables, pie charts and bar graphs and interpreted with frequencies and percentages. Likert-type findings were further processed to yield meaning interpretation using mean and the standard deviation. The target population of study will be 150 staff members of Kenya National Audit Office (KENAO) staff of different designation in Nairobi region. Sampling method will be used.

The chapter is organized into three sections where the first section is presentation of the demographic outlook of the respondents while the second one discusses the main objectives. The last section gives the conclusion of the objective findings in brevity.

4.2 Demographic Outlook

The demographic outlook of the target respondents was based on Gender of the Respondents Age of the respondents, Level of education, and the length of time respondents has been working in the organization/department

Table 4.1: Gender of the Respondents

Gender of Respondents		
	Frequency	**Percent**
Male	33	66.0
Female	17	34.0
Total	50	100.0

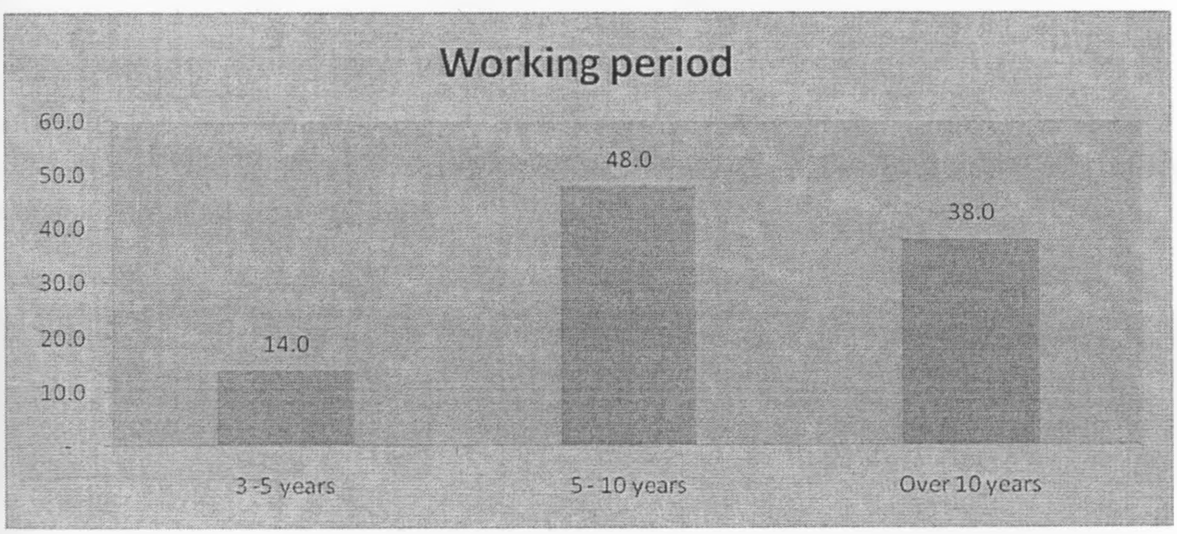
Table 4.1 represents gender of the respondents where majority (66%) was men while 34% were female employees. This indicates that most employees were men

Table 4.2: Education level respondents

Education level respondents		
	Frequency	**Percent**
College	18	36.0
University	32	64.0
Total	**50**	**100.0**

The researcher wanted to know the educational levels of KENAO employees. From the findings majority (64%) of the respondents were university graduates while 36% were college graduates. This shows that most respondents were highly educated as their roles required expertise.

Figure 4.1. Length of time respondent has worked with the organization



The researcher was also interested to know the working period of the workers. From the findings 48% had worked for 5 to 10 years, 38% had over 10 years experience while 14% have worked between 3 to 5 years. This shows that majority of the respondents had worked for more than five years.

Table 4.3: Job category of the respondent

Job category of the respondent		
	Frequency	**Percent**
Administration	10	20.0
Finance and Accounts	9	18.0
Human resource	5	10.0
IT	8	16.0
Operations	7	14.0
Marketing	11	22.0
Total	**50**	**100**

Regarding the job category of the respondent, 32% of the workers were from the Central Government, 26% were from State Corporations Department, 24% from Local Government, 22% were from specialized audit department while 16% from operations Finance, Administration and Human Resource department. This shows that employees were well spread across the job categories in Kenya National Audit Office.

4.3 Findings from the main Objectives

Table 4.4: Description of the operation environment in the institution in relation to management of strategic change

Description of the operation environment in the institution in relation to management of strategic change		
	Frequency	**Percent**
Very stable	47	94.0
Very disorderly	3	6.0
Total	**50**	**100.0**

The researcher was interested to know the description of the operational environment in the institution in relation to management of strategic change. From the findings majority (94%) of operation environment in the institution in relation to management of strategic change was very stable while 6% were very disorderly as illustrated by table 4.4. This shows that most of the respondents very stable in their working environments.

Table 4.5: Whether respondents has experienced any changes in the department in the last 3 months to one year

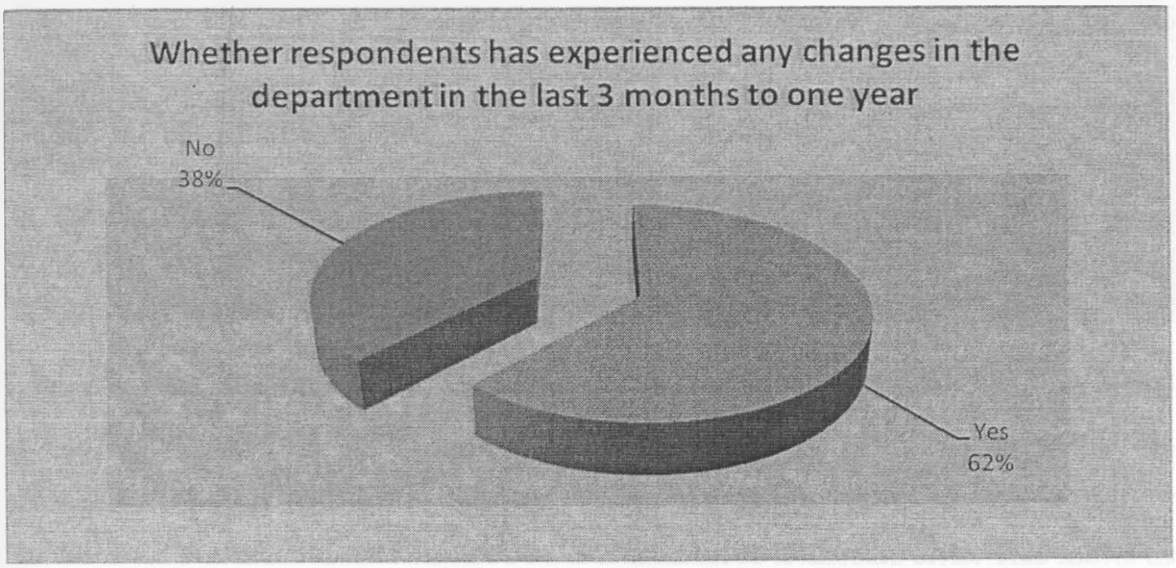
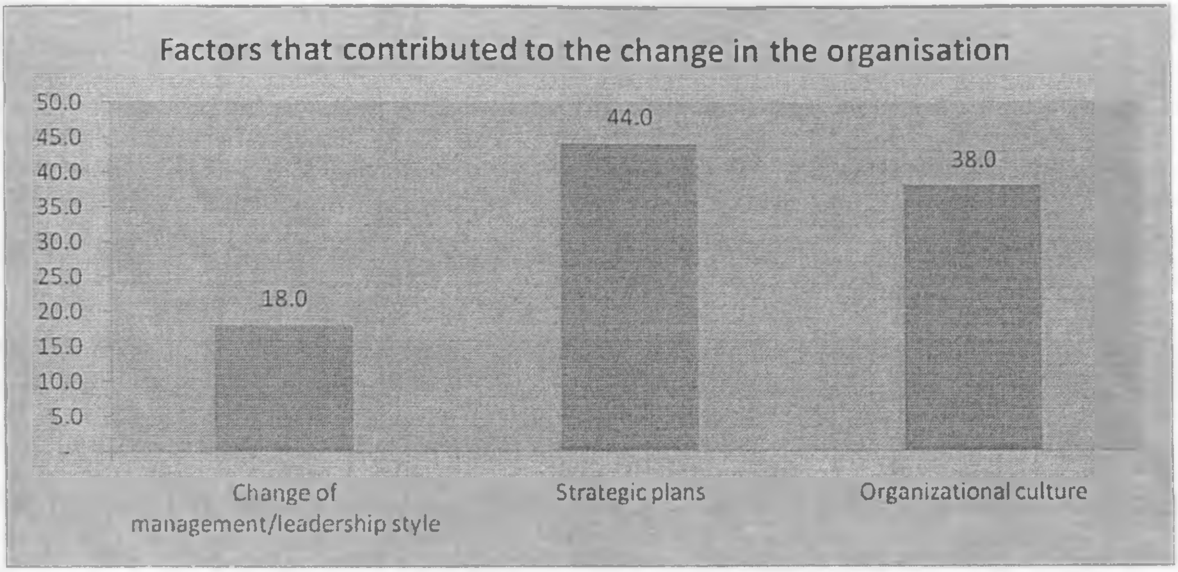


Table 4.5, illustrates whether respondents has experienced any changes in the department in the last 3 months to one year. From the findings majority (62%) had experienced changes in the department in the last 3 months to one year, while 38% said that they had not experienced any changes in the last 3 months to one year. This shows that most of the employees had experienced changes in the department in the last 3 months to one year

Figure 4.2 Factors that contributed to the change in the organization



The researcher was interested to know factors that contributed to the change in the organization. From the findings 44% of the workers said that organization was changed by strategic plans, 38% of the workers said that it was changed by organization culture while 18% of the workers said that the organization was changed by management or leadership style. This shows that most organizations were affected by strategic plans.

Table 4.6: Whether there is notable resistance to the changes

Was there a notable resistance to the changes		
	Frequency	**Percent**
Yes	26	52.0
No	24	48.0
Total	**50**	**100.0**

The researcher was interested to know whether there was a notable resistance to the changes where majority 52% of the workers said there was a notable resistance to the changes while 48% said there was no resistance to changes. This indicates that most respondents have notable resistance to changes.

Table 4.7: Factors that have contributed to the resistance

Factors that may have contributed to the resistance		
	Frequency	Percent
Mistrust of management	17	34.0
Lack of communication	6	12.0
Fear of out come	20	40.0
Lack of involvement in the change process	7	14.0
Total	**50**	**100.0**

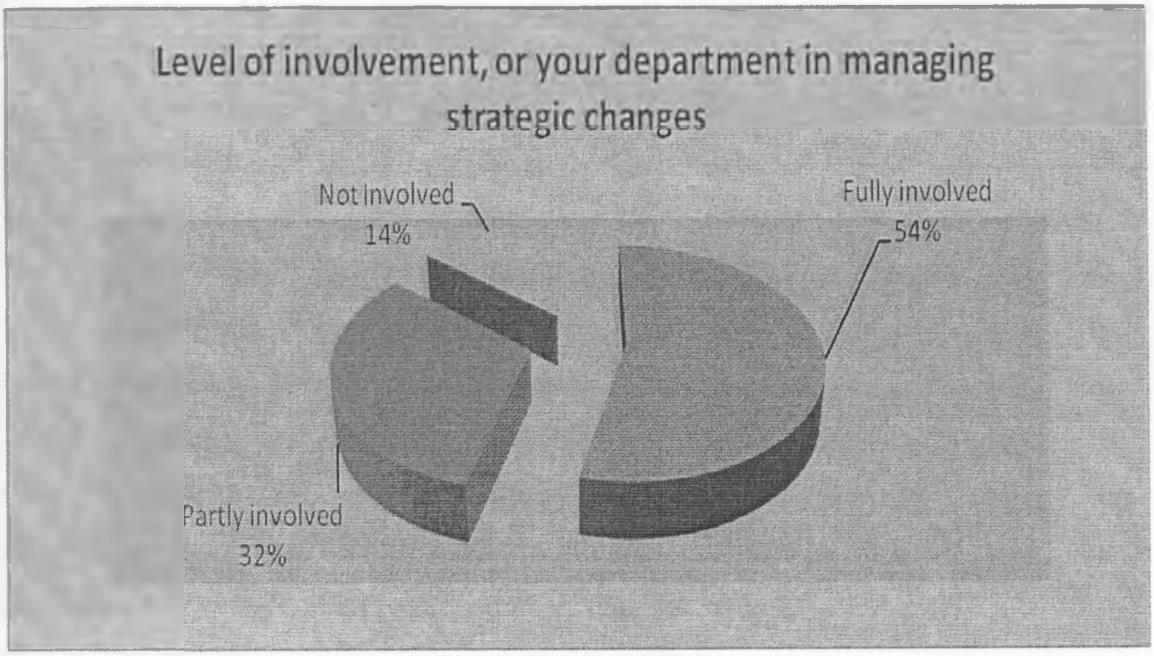
In addition the researcher was interested to know factors that contributed to the resistance. From the findings 40% feared outcome of change, 34% of the workers said Mistrust of management contributed to resistance, 14% lacked involvement in the change process, while 12% said lack of communication contributed to resistance to change. This indicates that fear of outcome, mistrust of management were the most common factors that contributed to resistance.

Table 4.8 External factors that had contributed more to the changes that have been experienced in the company

External factors that have contributed more to the changes that have been experienced in the company		
	Frequency	Percent
Technological advancement	13	26.0
Product/ programs changes	17	34.0
Competition	14	28.0
Sociological/cultural changes	6	12.0
Total	**50**	**100.0**

The researcher was interested to know the factors that have contributed more to the changes that have been experienced in the company. From the findings 34% of the workers said that Product/ programs changes contributed to changes in the company, 28% said that competition contributed more to the changes that have been experienced in the company, 26% said technological advancement enhanced the changes that have been experienced in the company, with 12% saying that sociological/cultural changes contributed more to changes that have been experienced in the company. This indicates that product or program changes, competition, technological advancement contributed more to the changes that have been experienced in the company.

Figure 4.3 Level of involvement, or your department in managing strategic changes



The researcher was interested to know the level of involvement of the department in managing strategic changes. From the findings majority (54%) were fully involved, 32% were partly involved, while 14% were not involved. This shows that most employees were either fully or partly involved in managing strategic changes of the organization.

Table 4.9: Methods used to communicate strategic changes and how they will be implemented

Methods was used to communicate strategic changes and how they will be implemented							
	Never	Seldom	Occasionally	Frequently	Always	Mean	std.dev
Memos	32.0	38.0	-	-	30.0	2.6	1.7
Circulars/notices	50.0	18.0	32.0		-	1.8	0.9
Face to face meetings	8.0	-	28	36	28	3.8	1.1
Grapevine	18.0	32.0	14.0	36.0	-	2.7	1.1

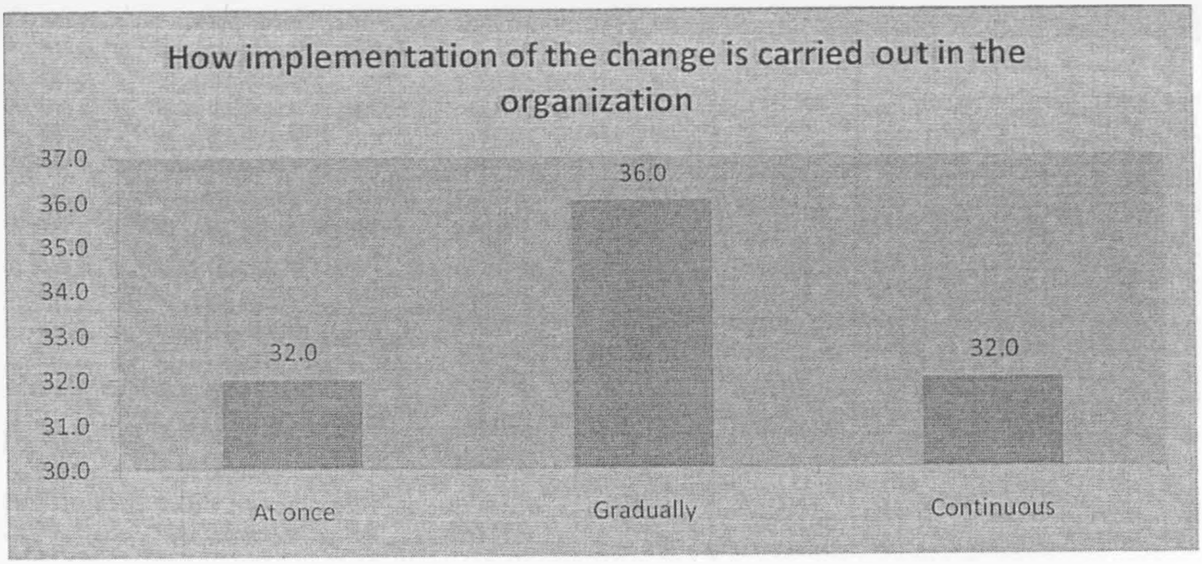
The finding in table 4.9 illustrates methods used to communicate strategic changes and how they will be implemented. Where there were five levels, level one was never with one point, seldom had two points, occasionally had three points, frequently had 4 points, always had 5 points. Face to face meetings was frequently used mode of communication with mean of 3.8, while grapevine, and memos were occasionally used with mean of 2.7, 2.6 respectively, while circulars/ notices were seldom used. This shows that face to face meetings were the most preferred method of communicating strategic changes.

Table 4.10: Implementation of the strategic changes in your organization

Who implements the strategic changes in your organization							
	Never	Seldom	Occasionally	Frequently	Always	Mean	std.dev
Senior management	-	-	32.0	14.0	54.0	4.2	0.9
Middle level managers/heads of Departments	-	-	48.0	38.0	14.0	3.7	0.7
Consultants	68.0	32.0	-	-	-	1.3	0.5
All employees in the affected area	46.0	54.0	-	-	-	1.5	0.5

Concerning the person who implements strategic changes in the organization, most respondents indicated that senior management and middle level managers / heads of departments frequently implemented strategic changes with mean of 4.2 and 3.7 respectively, while consultants and employees were either never used or seldomly used with mean of 1.5 and 1.3 respectively. This shows that senior management and middle level manager's implemented strategic changes in the organization as strategic changes were crafted at the top level of the management.

Figure 4.4: How implementation of the change is carried out in the organization



The researcher was interested to know how implementation of change was carried out in the organization. 36% percent carried out change gradually, 32% carried change at once while 32% carried implementation of change continuously. This shows that the organization carried out changes either gradually at once or in a continuous manner depending on the type of change.

Table 4.11: The value placed on the importance of strategic change management in the organization.

The value placed on the importance of strategic change management in the organization							
	Very low	Low	Moderately high	High	Very high	Mean	Std. dev
Managing stakeholder expectation	-	8.0	44.0	18.0	30.0	3.7	1.0
Managing competition in the money market	-	32.0	24.0	44.0	-	3.1	0.9
Management of perceptions and beliefs	14.0	18.0	38.0	30.0	-	2.8	1.0
Power and politics management	-	14.0	18.0	38.0	30.0	3.8	1.0
The time of change	-	2.0	16.0	48.0	34.0	4.1	0.7
Environmental scanning for threats and opportunities	-	2.0	12.0	38.0	48.0	4.3	0.8

Table 4.11 illustrates the value placed on importance of strategic change management in the organization. From the findings most employees placed environmental scanning for threats and opportunities, time of change, Power and politics management, and managing stakeholder expectation were valued high with mean of 4.3, 4.1, 3.8, 3.7 respectively while managing competition in the money market, management perception and beliefs were valued moderately high with mean of 3.1 and 2.8 respectively. This shows that environmental scanning for threats and opportunities, the time of change, Power and politics management, greatly enhanced the importance of change in the organization.

4.4 Discussion

From the findings, majority (94% of all the respondents purported that their organization have stable operational environment that can support strategic changes. It is however important for an organization to scan for external environment to ensure that intended changes are operational within the external environment. As emphasized by Burnes, (2004), change management is problem finding and problem solving practice in the sense that organization undergoing change must have identified a problem from the environment or from the way they have been doing things, it is the problem that makes the current state undesirable and hence the change.

Regarding the causes of strategic changes in respondents' organization, strategic plans and the organization culture were the main reasons instigating changes (44% and 38% respectively). The results clearly indicate that, strategic change arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. At the same time transformational change management involves challenges to long-established corporate values and top tam behavior (Beeby and Simpson, 1995). Moreover, there has been broad consensus that increasing environmental instability and uncertainty are forcing companies to change continuously (Brown and Eisenhardt, 1997)

On the other hand, 40% feared outcome of change, 34% of the workers said mistrust of management contributed to resistance an indication that, resistance to changes is largely caused by the uncertainty on the outcome after its implementation. Burnes, (2004) expressed fear that, there numerous challenges that are normally experienced in strategic change process and the challenges come in form of resistance which may involve delays, extra expenditure and destabilization to the change process. Thiga (2002) also suggests that if change is poorly managed, resistance is likely to be higher than properly managed strategic change with the most prominent being resistance by those who prefer the known to the unknown.

Concerning the value placed on the importance of strategic change management in the organization, power and politics management, the time of management and the time of change as well as environmental scanning for threats and opportunities were places at the core of strategic change. Respondents also recommended that, decreasing the level of resistance to planned strategic changes, setting a team of champions to drive the changes and raising the degree of communication and allowing all the employees to deliberate before the changes are affected would enable involvement of all stakeholders in the strategic change. This would also call for sensitizing, educating and involving the stakeholders and especially the affected and implementing staff.

The overall recommendation by Burnes, (2004) on strategic change management and stakeholders' involvement in the process is that, open and honest two-way communication must occur early and often, expectations be clearly set and everyone involved must be aware of the change, and why it's being done, who is impacted and how, what the roles and responsibilities are. The message must continually be reinforced throughout the organization by the multiple levels of management. Feedback must consistently be sought and acted upon. Measurable desired results must be spelled out at each level of the organization to include repercussions for not achieving the results. Progress must be reported, and those involved must be held accountable for the results.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary and Findings

This study sought to identify stakeholders' involvement in management of strategic change at the Kenya National Audit Office.. The study will aid management developing, strategic change management practices adopted by the Kenya National Audit Office (KENAO) in their change program and to determine the factors affecting change management process at KENAO. Majority (66%) were men while 34% were female employees. The findings indicated that majority (64%) of the respondents were university graduates while 36% were college graduates. From the findings 48% had worked for 5 to 10 years, 38% have over 10 years experience while 14% have worked between 3 to 5 years.

Regarding the job category of the respondent, 32% of the workers were from the Central Government, 26% were from State Corporations Department, 24% from Local Government, 22% were from specialized audit department while 16% from operations Finance , Administration and Human Resource department.

From the objectives majority (94%) of operation environment in the institution in relation to management of strategic change was very stable while 6% were very disorderly. Majority (62%) had experienced changes in the department in the last 3 months to one year, while 38% said that they had not experienced any changes in the last 3 months to one year. The findings indicate that 44% of the workers said that organization was changed by strategic plans, 38% of worker changed by organization culture while 18% were changed by management or leadership style. Majority 52% of the workers said there was a notable resistance to the changes while 48% said there was no resistance to changes.

Regarding the factors that contributed to the resistance, 40% feared outcome of change, 34% of the workers said Mistrust of management contributed to resistance, 14% lacked involvement in the change process, while 12% said lack of communication contributed to resistance to change. The findings indicates 34% of the workers said that Product/ programs changes contributed to changes in the company, 28% said that competition contributed more to the changes that have been experienced in the company, 26% said technological advancement enhanced the changes that have been experienced in the company, with 12% saying that sociological/cultural changes contributed more to changes that have been experienced in the company.

On the level of involvement of the workers, majority (54%) were fully involved, 32% were partly involved, while 14% were not involved. Most respondents used Face to face meetings frequently as a mode of communication with mean of 3.8, while grapevine, and memos were occasionally used with mean of 2.7, 2.6 respectively, while circulars/ notices were seldomly used. Most respondents indicated that senior management and middle level managers / heads of departments frequently implemented strategic changes with mean of 4.2 and 3.7 respectively, while consultants and employees were either never used or seldomly used with mean of 1.5 and 1.3 respectively.

Concerning change 36% percent carried out change gradually, 32% carried change at once while 32% carried implementation of change continuously. Most employees placed environmental scanning for threats and opportunities, time of change, Power and politics management, and managing stakeholder expectation were valued high with mean of 4.3, 4.1, 3.8, 3.7 respectively while managing competition in the money market, management perception and beliefs were valued moderately high with mean of 3.1 and 2.8 respectively.

5.2 Conclusion

Based on the findings it was concluded that most employees were men, most respondents were highly educated as their roles required expertise, majority of the respondents had worked for more than five years while employees were well spread across the job categories in Kenya National Audit Office.

Most of the respondents were very stable in their working environments. Most of the employees had experienced changes in the department in the last 3 months to one year. Most of the organizations were affected by strategic plans. Most of the respondents have notable resistance to changes. In addition fear of outcome, mistrust of management were the most common factors that contributed to resistance. Product or program changes, competition, technological advancement contributed more to the changes that have been experienced in the company. Most employees were either fully or partly involved in managing strategic changes. Face to face meetings were the most preferred method of communicating strategic changes.

Senior management and middle level manager's implemented strategic changes in the organization as strategic changes were crafted at the top level of the management. Organization carried out changes either gradually or at once or in a continuous manner depending on the type of change. Furthermore environmental scanning for threats and opportunities, time of change, Power and politics management, greatly enhanced the importance of change in the organization.

5.3 Recommendations

Strategic change and its management is key in the long term survival of the KENAO. Given the turbulent environment in which organizations are operating today, they have no option but to identify and adopt the necessary changes to survive. It is on this premises that KENAO should embark on what can clearly be seen as incremental change program which given the responses, the market seems to embrace positively.

Organizations should develop competitive strategy and organizational structures capable of integrating complex global operations, they should understand their competences so as to focus on what they are especially good at, furthermore they need to develop a culture of innovation and understand strategic priorities in terms of the particular context of an organization

Strategic change arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. Hence the organizations should seek to create a competitive advantage and wherever possible innovate to improve their competitive positions.

KENAO should look for ways of managing change by understanding the needs of employees and also for employees to understand the change plan.

5.4 Suggestions for Further Studies

The study also suggested areas for further study:

i. There is need to carry the same study in other parts of the country to find out whether the same results will be obtained.

ii. A study research should be carried on managing resistance to change in various organizations to formulate strategies to overcome resistance.

iii. A study research should be carried out on implementation of change to produce desired results.

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APPENDICES

APPENDIX I: Questionnaire

STRATEGIC CHANGE MANAGEMENT PRACTICES IN PUBLIC ORGANIZATIONS: A CASE STUDY OF KENYA NATIONAL AUDIT OFFICE

Please answer the following questions giving the necessary details and ticking appropriate answers in spaces provided

PART A: DEMPGRAPHIC INFORMATION

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1. Gender Female [ ] Male [ ]
2. What is your education level? (Tick as applicable)
   a) Primary [ ]
   b) Secondary [ ]
   c) College [ ]
   d) University [ ]
   e) Others-specify.....................................
3. Years of service/working period (Tick as applicable)
   a) Less than 3 years [ ]
   b) 3-5 yrs [ ]
   c) 5-10 years [ ]
   d) Over 10 years [ ]
4. Please indicate your job category
   a) Administration [ ]
   b) Finance / Accounts [ ]
   c) Human Resource [ ]
   d) IT [ ]
   e) Operations [ ]
   f) Marketing [ ]
   f) Primary [ ]
   g) Secondary [ ]
   h) College [ ]
   i) University [ ]
   j) Others-specify.....................................
5. Please indicate your job category
   g) Administration [ ]
   h) Finance / Accounts [ ]
   i) Human Resource [ ]
   j) IT [ ]
   k) Operations [ ]
   l) Marketing [ ]

SECTION B: GENERAL QUESTIONS

6. In your opinion, how would you describe the operation environment in the institution in relation to management of strategic change? (Tick as applicable)
   a) Very stable [ ]
   b) Very disorderly [ ]
   c) Irregular/discontinuous [ ]
7. For how long have you been applying strategic change management principles?

Not yet [ ]

Less than 1 year [ ]

1- 3 years [ ]

More than 5 years [ ]

8. Have you experienced any change in your department in the last 3 months to 1 year? (Tick as appropriate)
   Yes [ ] No [ ]
9. If yes which internal factor below do you think contributed to the change, which was experienced?
   a) Change of management/leadership style
   b) Strategic plans
   c) Organizational culture
   d) Change of work systems
10. Was there a notable resistance to the changes? (Tick as appropriate)
    Yes [ ] No [ ]
11. Which of the following factors do you think may have contributed to the resistance?
    a) Mistrust of management [ ]
    b) Lack of communication [ ]
    c) Lack of involvement in the change process [ ]
    d) Fear of the outcome [ ]
    e) Not sure [ ]
12. In your opinion, which of the following external factors has contributed more to the changes that have been experienced in the company?
    a) Technological advancement [ ]
    b) Product/ programs changes [ ]
    c) Competition [ ]
    d) Sociological/cultural changes [ ]
    e) Any other? ____________________
13. What is the level of your involvement, or your department in managing strategic changes?
    a) Fully involved
    b) Partly involved
    c) Not involved

14. What method was used to communicate strategic changes and how they will be implemented?

	Never	Seldom	Occasionally	Frequently	Always
Memos					
Circulars/notices					
Face-to-face meetings					
Grapevine					
Others (specify)…………..					

15. Who implement the strategic changes in your organization?

	Never	Seldom	Occasionally	Frequently	Always
Senior management					
Middle level managers/heads of Departments					
Consultants					
All employees in the affected area					
Others (specify)…………..					

16. How is the implementation of the change carried out in your organization?
    a) At once [ ]
    b) Gradually [ ]
    c) Continuous [ ]
    d) Unsystematically [ ]
17. What in your opinion, can the management do to decrease the level of resistance to planned strategic changes?

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

18. What value do you place on the following regarding importance of strategic change management in your organization?

1 = Very low 5 = Very high

	1	2	3	4	5
a) Managing stakeholder expectation	[ ]	[ ]	[ ]	[ ]	[ ]
b) Managing competition in the money market	[ ]	[ ]	[ ]	[ ]	[ ]
c) Management of perceptions and beliefs	[ ]	[ ]	[ ]	[ ]	[ ]
d) Power and politics management	[ ]	[ ]	[ ]	[ ]	[ ]
e) The time of change	[ ]	[ ]	[ ]	[ ]	[ ]
f) Environmental scanning for threats and opportunities	[ ]	[ ]	[ ]	[ ]	[ ]

g) Others specify ....

THANK YOU FOR YOUR COOPERATION.