

**ORGANISATIONAL CULTURE CHANGE AT KENYA POWER  
AND LIGHTING COMPANY LIMITED**

**BY**

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**A RESERCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,  
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

**SEPTEMBER 2013**

## DECLARATION

The project is my original work and has not been submitted for a degree in any other university.

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This project has been submitted for examination with my approval as the university supervisor.

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## **DEDICATION**

This project is dedicated to my dear mother for the challenging remarks she made about education, to my loving wife Alice Margaret for being diligent classmate, my dear children Yvette Nyatichi, Ethan Junior and Annan Rogito for their patience and love.

## **ACKNOWLEDGEMENTS**

I would like to thank my supervisor Prof. Evans Aosa for his valuable guidance and counsel that assisted in doing this project. My sincere gratitude to those who provided information during my interviews and to Kenya Power for the facilitation and support. Lastly, to my family, friends and colleagues for their dear support.

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## **ABBREVIATIONS AND ACRONYMS**

<b>EAPL</b>	East African Power and Lighting Company
<b>GDC</b>	Geothermal Development Company
<b>HPT</b>	High Performance Training
<b>IPPs</b>	Independent Power Producers
<b>KVA</b>	Kilovolts Amperes
<b>KENGEN</b>	Kenya Generating Company
<b>KETRACO</b>	Kenya Transmission Company
<b>KPLC</b>	Kenya Power and Lighting Company
<b>MEC</b>	Mombasa Electric Company
<b>NPLS</b>	Nairobi Electric Power and Lighting Syndicate
<b>REA</b>	Rural Electrification Authority
<b>TENESCO</b>	Tanganyika Electricity Supply Company
<b>UK</b>	United Kingdom



## ABSTRACT

Flexibility in organizational culture enables an organization to easily adapt to the changes in the environment. Due to dynamic environment, globalization and competition, it is important to align the organization culture. Organizational culture is either critical variable, which emphasis a perceptive dimension or root metaphor, emphasizes culture as something organization 'is' which is negotiated and not observable. The study is a result of research project on organizational culture change in Kenya Power and lighting company limited. The objectives of the research project were to establish how KPLC has managed organizational culture change and challenges encountered during this process. The study employed a case. The data was collected from interviews and secondary sources. The findings indicated various factors for organizational culture change. The factors include customer demands, anticipated competition, technological innovation and government legislation. Organizational culture change adapted integration perspective of culture and was implemented in four stages hybrid model that adapted planned approach of change management. This was expected to achieve homogenous congruence organizational-wide culture. Implementation used external consultants with appropriate expertise and experience. The Organizational culture change process was supported by top management and championed by a team of Change Agents or Ambassadors drawn from formal and informal structures of the organization. Training strategy was used to foster awareness and to build capacities, which were critical for behavioral change. Communication strategy was used to provide continuous information to stakeholders. Both the training and communication strategies assisted in managing and reducing resistance. Regular performance review provided important feedbacks, an essential input used to review communication, training and maintenance processes. Maintenance stage was an iterative process as the organization strives to achieve the desired dominant, central and effective system of meanings, beliefs and values which are 'organized' and 'lived'. There was a limitation of sufficient time to critique all factors, processes and challenges of organizational culture change and to examine its impact to all stakeholders. The research provides critical processes for implementing a successful organizational culture change, which includes formulation of mission, training, communication and use of change agents. There is need for further research on impact of training, performance of individual change agents, and impact of leadership in implementation of organizational culture change.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Effectiveness of an organization depends largely on its organizational culture (Wehrich and Koontz, 2004). Flexibility in organization culture enables firm to respond faster to changes in an increasingly turbulent environment, facilitates internal restructuring and modification of employee behavior (Denison, 1990). A successful enterprise needs to adapt its organization culture to the prevailing environment and such firms exhibits close communication, teamwork and risk taker (Brown. 1995).

The constant changes in the environment, coupled with globalization, and changes in the industry has necessitated the need to align organizational culture. Mintzberg, (1994) argues that culture is the soul of the organization that holds things together that gives organization driving force, while the structure is the skeleton. This requires organizations to undergo changes and these changes might require alignment of its culture to reap the maximum benefits and survive. The assumption of the shared mission, vision and values could constrain strategy, since limitations in culture might restrict strategic chooses (Schein, 2004). Strategic thinking encourages organizational culture to be enabler.

Burnes (2009) and Mullins (2003) argue that organizational culture change is based on four Pillars, namely: system approach, contingency approach, individual perspective and group dynamic. The system approach consists of open system and social-technical system that integrates views from schools of classical and human relation that emphasizes organization as a complex social-technical and open system. Open systems theory sees

organization as interlinked and interdependent sub-systems where changes in one sub-system impact other sub-systems. Individual perspective views behavior as learning process resulting from the interaction of individual with their environment. The Learning process is guided by two basic theories: behaviorist psychology that focuses on observable behavior formed from establishment of relationship between the stimuli and response; and cognitive psychology that focuses on goals or plans individual choose and the methods they adopt will depend on their experience and thinking. Group dynamic theory views individual as a group member, whom must change to comply with group norms and practices. Change management is based on two approaches, the planned and emergent change approach (Burnes, 2009).

In the Kenya today and world over, major organizations have been positioning themselves to gain market share, attract customer from new frontiers and to create a competitive age. Government has also been introducing new policies and regulations framework to open up the market and to attract investment. Rapid changes in technology, political, socio-economical, and globalization have triggered organizations to reposition in order to gain a competitive advantage (Johnson and Scholes, 2004). There has been a significant effort by organizations to attract customers through rebranding, culture change, and network expansion and use of new technologies to manage cost. Changes in the environment have affected most organizations and KPLC has not been spared either.

### **1.1.1 Organizational Culture**

Organizational culture has been studied by various groups but there no one agreed definition. The theory and practice of organization changes and development are

important to understanding organization culture (Bryson, 2008). The anthropology sees culture as a framework for influencing behavior and actions. Schiffman and Kanuk (2007), defines culture as learned beliefs, values, and customs that directs the consumer behavior of society members. Organizational culture is defines as as a collection of traditions, values, policies, beliefs, and attitudes that governs for everything we do and think in an organization (Mullins, 2003; Robbins and Coulter, 2002). Parker (2011) notes that organizational culture as a behavior, driven by its leader in guiding its member in performing daily work; while ideologies, vision, mission, and values sets the tone. According to Hofstede (1991), culture is collective programming of the mind which uniquely identifies the members of one category of people from another.

The definitions imply that organization culture is either a critical variable or a root metaphor (Smircich, 1983). Culture as critical variable emphasizes a perceptive dimension that organization 'has' since employee perceives culture on basis of what they see, hear or experience. Organization culture as a root metaphor or process emphasize culture as something an organization 'is' which is negotiated and not observable that they describe rather than evaluate.

### **1.1.2 Change Management**

The dynamic environment necessitates changes in the organizational activities, processes and values in order to remain afloat (Johnson and Scholes, 2004). Change management is based on two approaches, the planned and the emergent change approach. The planned change is suitable in predictable and stable environment, where the change process is consciously planned by taking organization from stable state to another stable state. This

was developed by Kurt Lewin and consists of four elements namely Field theory; Group dynamic; Action research and three step model of unfreezing, moving and freezing. Gagliardi (1990) favors an integrated approach where new organization culture is integrated with the existing culture, as a way of reducing resistance to cultural change.

The emergent approach is applicable in an increasingly turbulent flux environment that requires continuous alignment and realignment of organization with changing requirement of unpredictable environment (Burnes, 2009). Alvesson (2002) and Martin (2002) support culture change in a flux environment. Bryson (2008) provide a useful and accessible framework that proposes that there exist constant negotiations between dominant, emergent and residual cultures resulting to constant cultural change. He argues that at a particular period there exist a central, effective, and dominant system of meanings, belief and values which are ‘organized’ and ‘lived’. The dominant culture exhibits a selective process of choosing to emphasize some meaning and practices from the past and present while excluding others.

### **1.1.3 Energy Sector in Kenya**

Sessional Paper No. 4 of 2004 on energy policy by Government of Kenya provides a framework for energy sector in provision of quality, cost effective tariff, affordable, adequate and sustainable energy service for 2004 -2024. This has led to creation of Electricity Regulatory Commission (ERC) that set out the prices and regulations for Energy sector for the producers and distributors of electrical power among others. The producer includes Kenya Generating Company (KenGen) and Independent Power Producers (IPPs). The Producers sell power to Kenya power and Lighting Company

(KPLC). In 2008, Kenya Electricity Transmission Company (KETRACO) was formed with a mandate to build new transmission lines and substation with government budget or concessionary funding from development partners. KPLC was left with transmission lines developed prior to formation of KETRACO. In the same (2008), Geothermal Development Company (GDC) was formed to explore and produce geothermal steam and sell steam to KenGen or other independent power producers (IPPs).

In Vision 2030, Energy is seen an enabler for making Kenya an industrialized middle income country with increase income per capita for its population. Vision 20130 expect the quality of electricity supply to improved and tariff prices to be competitive so as attract industries and investments. This will in turn make good produced locally more competitive in the world market. The government has formulated a framework on how electricity will achieve this noble goal. The organizations in the energy sector are expected to meet these challenges by aligning their strategies, policy and culture.

#### **1.1.4 Kenya Power and Lighting Company Limited**

Kenya Power and Lighting Company (KPLC) is a limited liability company, which was incorporated in 1922 as the East African Power and Lighting Company (EAPL), from a merger of Nairobi Electric Power and Lighting Syndicate (NPLS) and Mombasa Electric Company (MEC). In 1932, the EAPL acquired a controlling interest in the Tanganyika Electricity Supply Company Limited (TANESCO). Later, EAPL acquired generating and distribution license in Uganda until 1948, when licenses were receded to Uganda Electricity Board. In 1954, Kenya government acquired substantial shareholder in the

industry through the setting up of Kenya Power Company (KPC) and was to be managed by EAPL. EAPL sold its majority share in TENESCO to government of Tanzania in 1964 and become KPLC in 1983.

Owing to the complex nature of the functions of KPLC and other environmental factors, in 1997, KPLC's core functions were splits into two: power generation to be handled by Kenya Electricity Generating Company (KenGen), newly formed company, while transmission and distribution of power was left to KPLC. In 2007, Rural Electrification Authority (REA) was formed to build lines in the rural areas on government concessionary and upon completion handle them to KLPC for operational and maintenance. In 2008, Kenya Electricity Transmission Company (KETRACO) was formed to build high voltage transmission network. KPLC was left with transmission lines developed prior to formation of KETRACO. In 2008, Geothermal Development Company (GDC) was formed to explore and produce geothermal steam and sell steam to KenGen.

KPLC organizational culture has been forced to change due to the above changes in order the firm to remain relevant to their new mandate, attract investment and financing. The culture can also be reflected in the organization structure and power, symbols, organizational structures responsibility, roles and job specification. There has been a deliberate effort by management to redefine the vision, mission, belief, and core values. This was followed by Re-branding process that adopted new vision, mission, core values and strategy. For the rebranding process to achieve its objectives, the organizational culture needed to be aligned with this philosophy of customer first.

## 1.2 Research Problem

Organizational culture change is revealed in the global mission of the organization as well as in goals, strategy, governance style, organizational climate, coworkers' behavior, staff management and in the work place description. Porter (1986) argues that a sustainable competitive advantage cannot be achieved by operational effectiveness but by being different, performing different activities, or performing similar activities in different ways from your rivals. According to Mintzberg (1994), an organization structure is feasible upon implementation of its strategy and upon social construction of this reality. The organization repositions itself towards the outside world by choosing appropriate culture and governance style.

In 1997, KPLC started re-engineering project dubbed 'Institution strengthening project' (ISP), which was focused on use of technology for efficiency and operational effectiveness; instituting strategic management process with new vision, mission and values; and creation of new structure and new culture to support the re-engineered processes. ISP was successfully implemented. In 2003, the government of Kenya instituted public sector reforms and performance contracting with objective of improving performance with targets on financial, service delivery, operational and dynamics. This was followed by another phase of using Manitoba Hydro, Canadian Electrical consulting management Company, to run the company for a period of two year. This resulted to improved connectivity, improved supply quality and alignment of organization culture. In 2010, KPLC started a rebranding and culture change with new vision, new mission and new values. The energy sector has also undergone various changes due to legislation of



policies and framework by government, critical role energy in meeting Kenya's Vision 2030, globalization, changes in technology and demands from stakeholders. Due to various changes in the environment and industry, organizational culture change should be flexible to change, the nexus that drives behaviour.

A number of studies has been undertaken on organization culture relative to different variables. Battilana and Casciaro (2013) researched on the Network Secrets of Great Change Agents in UK's National Health Service in tracking successful change agents. The other study was on organizational culture relative to performance in Kenya Airways (Sebastian, 2010) and the influence of corporate culture on strategy implementation (Obosi, 2010). Okeyo (2010) examined the influence of corporate culture on strategic change in Commercial Banks. Gitu (2010) researched on challenges of rebranding in KPLC. Bryson (2008) introduced practical conceptual tool for analyzing the dynamics of organizational cultural change titled Dominant, emergent, and residual culture: dynamics of organizational change that looks at time and perspective underlying contested nature of culture and limitations of existing framework of analysis. Other researches were on customer perception in KPLC (Wahogo-Maina, 2006) and KPLC response by to changes in environment (Kabere, 2003).

None of the studies above or any other studies I have encountered have dealt with organizational culture change in detail especially in a public utility company. Management is also sensitive to environmental context in which organization operates and choices depend on the situation, paradigms and appropriateness of different viewpoints. How then has KPLC managed its organizational culture change and what challenges did the company encounter during this process?

### **1.3 Research Objectives**

The study has two objectives:

- i. To establish how KPLC has managed organizational culture change.
- ii. To establish challenges faced by KPLC in managing organizational culture change.

### **1.4 Value of the Study**

The study is important to firms in the electricity sectors that deal with generation, transmission and distribution of electricity, since they are faced with same environmental dynamics that might trigger organizational culture change. The firm will learn on how to achieve organization culture change using the knowledge from the studies. They will learn how to deal with challenges encountered during this process. This would result to cost saving and faster implementation of organizational culture change.

The study will benefit the academic fraternity since it contributes information to the existing body of knowledge. It would form a basis for future researches where other variables or metaphor would be explored to create a better understating on organizational culture change management.

The study will be important to government as it restructure its operation in the governmental ministries and align their operation towards Vision 2030 and the new constitution dispensation. The alignment of these ministries will require change their culture in order to meet their mandate. This will also translate to cost saving.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This case study is on organizational culture change in KPLC. The Literature review will cover organization culture, perspective of organization culture, importance of organization culture, organization as a liability and organizational culture change.

### **2.2 Theoretical Framework**

There are four theories or schools of organization and management that governs organizational culture, behavior and culture change. They include system approach, contingency approach, individual perspective theory and group dynamic theory (Burnes, 2009). A system is an organized complexity with interdependencies parts of the whole. The system approach consists of open system approach and social-technical approach that integrates classical and human relation schools of organization and management. The system approaches emphasizes organization as a complex social-technical and open system with interrelationships and interdependencies of sub-systems. By viewing organization as an open system implies that organization has to be sensitive to its environment and must respond to threats, opportunities, restrictions and challenges.

The organization as social-technical system views organization as a structure social-technical system with two sub-systems: technological system consisting of tasks, methods, tools and technology; and social system consisting of people in the organization, their interactions and behavior. The organization should try to achieve appropriate sub-systems that maximize technological efficiency and human needs.

Mullins (2003) suggests five sub-systems namely: tasks, technology, structure, people and management. In order to reduce resistance to change, organization should balance economic, technological and psycho-social needs.

The contingency approach was developed as a reaction to ideas of classical and human relation schools of organization and management. The contingency approach can be seen as an adoptive of appropriate structure, culture and leadership to different variable and conditions in organization structure and subsystem (Mullins, 2003). This approach encourages managers to identify particular variable in situations they need to manage and device appropriate way to handle it. It also advocates for responsiveness and flexibility to turbulent environment through changing structure and culture. The post-modern organization should recognize different viewpoint and paradigms by use of diversity.

Individual perspective theory views individual behavior as resultant of interaction their environment or combination of environment and reason (Burnes, 2009). Gestalt-Field assist individual to change their understanding about themselves and situation in question, which in turn may lead changes in behavior. Individual behavior is a resultant of a learning process. Learning shapes attitudes, fosters awareness and leads to acquisition of knowledge, skills an competencies. There are two schools of psychology that focuses on learning, the behavior and cognitive psychology theory. The behavior psychology is based on empirical epistemology, that views human mind operates on information from sensory, hence observable behavior. Behavior psychology argues that learning occurs through formation of relationship between the stimuli and responses as demonstrated by classical conditioning advanced by Ivan Pavlov's experiments of 1909 and by operant (instrumental) conditioning where new behavior is established through

association of stimuli and reinforcement. Hence, occasional reinforcement is sufficient to maintain learned behavior. The cognitive learning theory is concerned with the plans or goals individuals choose to follow, the methods they adopt depend on experience, feedback and thinking.

The group dynamic theory argues that individuals in organization work in groups and individuals must change to comply with group norms and practices (Lewin, 1974a, 1974b). Group is a collection of two or more people with common purpose, whose development is influenced by various factors such as physical proximity, physical attraction, rewards or penalties, emotional support and for achievement of collective goals. Group formation in work place is a consequence of division of labour and is important in fulfilling individual's need with personal relationships, customs, and sometimes restrictions (Graham and Bennett, 1998). Group norms are shared perceptions and feelings of attitudes and beliefs about things in work place, which the group tends to follow: the same motivational process as one for individuals. Groups are therefore a powerful force as demonstrated by Elton Mayo, in experiment of relay Assembly Test room as they exert pressure for compliance of its members. Management should focus on altering or influencing group's norms, roles and values when changing culture (Burnes, 2009).

### **2.3 Organizational Culture**

Culture influences an organization from within and from the world it operates especially in strategy (Johnson and Scholes, 2004). It raises ethical issues about what managers do and why. An understanding of what drives and motivates people within an organization

can contribute to the development of an organization's own specific internal culture. Different theorists and companies have differing opinions on the types of organizational cultures. According to Robbins (2003), organizational culture has seven dimensions that capture its essence, namely: attention to details; innovation and of taking risk taking; stability for status quo. Others include aggressiveness, team orientated, and people oriented and outcome oriented. One dimension or a mix of dimensions often rises above others and therefore shapes organization's personality and its members.

There's been a great deal of literature generated over the past decade about the concept of organizational culture; particularly in regard to learning how to change organizational culture. Organizational change efforts are likely to fail unless it's followed by change in organization culture (Schein, 2004). This is basis why many strategic planners now place as much emphasis on identifying strategic values as they do mission and vision. Organizational culture creates a number of various concepts, strategies and situations, which affect every level of planning when it comes to any type of hierarchical institution.

Organizational culture is dynamic in nature; most of the times, organizational culture does not keep pace with changes in environment even if the changes are not dramatic (Johnson and Scholes, 2004). Sometimes organizational responses to environment may result to a repeat of a successful past pattern, which might be a mismatch, especially where there is a strategic drift, which require different culture inclination (Gagliardi, 1990). The embedded past successful cultures and its capabilities with their rigidities might turn to an obstacle to change. The leaders should purposely define behaviors of the organization by aligning the interests of their people with the interests of the firm.

Organization culture can be described as strong cultures or weak cultures (Robbins & Coulter, 2003). Strong cultures when key values are deeply and widely shared and have strong influence on organizational members. The organizational culture can be strong, weak or in between depending on factors, such as firm's size and age, rate of employee turnover, and original culture. A strong organizational culture creates a stronger employee commitment to the organization than employee in organization with weak culture.

Johnson and Scholes (2004) have exhibited the cultural web as they try to explain organizational culture. The culture web is a paradigm that organization culture is manifested with its paradigm, stories, rituals, routines, symbols, control systems, structures, and power structures. The paradigm is developed from the key central factors and assumption for success, influenced by the surrounding factors. Lasting strategic change comes about through change in the paradigm. Organizational culture is strongest on integration and positive contribution of the paradigm since it provides stability and confidence, while weakest when one of the key factors are easy to change. Paradigm or its factors, might be changed by arrival of new management (Johnson and Scholes, 2004).

## **2.4 The Perspective Theories of Culture**

Most organizational culture researchers have adopted one of the theoretical perspectives, namely: the integration, differentiation, or fragmentation viewpoints (Martin, 2002). The integration perspective conceptualizes cultural change as an organization-wide transformation that achieves unified homogeneity, whose interpretations have mutually consistent. Differentiation perspective deals with cultural manifestations that have consistent interpretation and sees consensus at the subculture or lower level. The

fragmentation perspective sees relations among culture manifestations as neither consistent nor clearly inconsistent but place ambiguity at core of culture. Fragmentation perspective views consensus in transient and issue specific. The three perspectives are complementary in specific way.

### **2.4.1 Integration Perspective**

This approach sees culture as what organization 'has' and can be observed, manipulated and managed. Integration approach assumes organization-wide homogeneity and congruence, which is difficult to sustain due to salience of inconsistencies, clashing interpretations, and ambiguity. Culture will manifest itself at the level of observable artifacts, shared championed values, norms and rules. Group culture can be understood by analyzing of their shared basic assumptions (Schein, 2004). Deeply held assumptions are detected by going to the underlying pattern of interpretation of cultural forms, beyond the front impressions of management strategies.

The integration approach model recognizes culture exists in organizations which have clear pattern of shared values, norms, artifacts and symbols. It fails to recognize culture where there are low consensus cultures, or culture of ambiguity or culture of conflict. Some researcher argues that the opinion of people in top management, leadership, and professional should count more since they have more power to control the trajectory of collectivity of culture.

### **2.4.2 Differentiation Perspective**

Differentiation studies focus on cultural manifestations that have inconsistent interpretation such as a study carried on two large consulting firms, in which professional



teamwork and cooperation as espoused values (Brunsson, as cited by Martin, 2002). The study further observed that informal conversation was full of metaphors such jargons, of aggressiveness and competition. Other differentiation studies on inconsistency were carried on school culture, where the school administrator spoke to external audiences (such as school board, government funding) stressed importance of variable like desks, books, and classrooms which was not the case for teachers who stress the informal processes of teaching and learning.

Differentiation studies views differences, such as inconsistencies as pertinent and desirable. Hence dissenting voices and subculture differences are not ignored. Studies supports that the subculture may be mutually reinforcing, conflicting or independent (Louis, 1985, as cited by Martin, 2002). Although to certain extent, ambiguity is acknowledged in differentiation study, there seems to be interstices among subcultures pockets of inconsistency, consensus, and clarity. Most researchers have emphasized the homogeneity of organizational culture, however most organizations are accurately viewed as multicultural.

### **2.4.3 Fragmentation: Multiplicity and Flux Perspective**

The Fragmentation perspective is difficult to conceptualize, since it focuses on ambiguity and complexity which is derived from ignorance or confusion. This is opposite to dichotomy of thinking used in integration and differentiation perspectives. Ambiguity can be seen as abnormal, problematic void, which ideally needs be filled with meaning and clarity However, under this perspective, ambiguities take center stage. In a loosely coupled system, the relationship, the prediction and activation of cause-effect relation is

more difficult, since they are intermittent, lagged, slow and mediated. Actors in a loosely coupled system rely on assumptions and trust because they know the universe is not sufficiently connected to make widespread change possible (Weick, 1979, as cited by Martin, 2002).

Fragmentation perspective should be used to study culture during post-acquisition of organization. This will allow irony, multiplicities, paradox and ambiguity to be studied. A study to analyze the culture after the acquisition of Swedish crane manufacturing company could only be understood using this perspective.

## **2.5 Importance of Organizational Culture**

Every organization has a culture, which has goals, norms and values used as framework to influencing behavior of all employees in the organization. The organizational culture depicts the kind of direction members of an organization should pursue and ideas about the appropriate standards of behavior organizational members should have to achieve these goals (Bennett, 1997; Vecchio, 2006). The values assist management to develop guidelines that govern and control appropriate behavior its members. Bennet (1997), observes that organizational culture is important in certain extent, defining workers feeling towards work, the leadership styles, assumptions on performance, and attitudes towards what is correct or incorrect. Bennet (1997), further argues organization culture affect business strategy formulation, and planning mechanism in number of critical respects. It affects individual's motivation in the implementation of strategies plans and decisions and attitudes towards risk and innovativeness.

Organizational culture can sometimes become deeply rooted to such extent it becomes the identity of both the firm and to larger extent its workers. The people end up affecting the culture as much as the culture affects them. A strong organizational culture tends to lower employees' turnover, improves recruitment, and socialization of new employees (Robbins, 2003). It creates unanimity of purpose, cohesiveness, loyalty, and commitment. The concept of organizational culture is assist in understanding human behavior and also an important environmental condition affecting the systems or subsystems. The examination of organizational culture is also a valuable analytical tool in its own right.

## **2.6 Organizational Culture as a Liability**

Culture can be a liability when the shared values do not further organizational effectiveness. This mostly occurs where the organizational environment is dynamic with rapid changes, such that the entrenched organizational culture may no longer be appropriate. In this case, the culture become a burden hence a barrier to change when 'business as usual' is no longer effective. This explains why chief executive of company with strong culture face challenges when they need to change.

Strong organizational culture may act as a barrier to diversity especially minority employees. This creates a paradox for management: they would want new employee to accept organizational core value so as to fit and become acceptable as a member. On the other hand, the management would like to openly demonstrate the support for the differences that the new employee brings to the work place. A strong organizational culture is very difficult to change and may be dysfunctional.

Historically, the main consideration for mergers or acquisition decision has always been based on the financial advantages or product synergy to be gained. In recent years, cultural compatibility has become of primary concern for acquisition and mergers (Riad, 2005). It has been argued that success of merger or acquisition depends on organizations' cultures match up.

## **2.7 Organizational Culture Change**

Vecchio (2006) proposed that there are four major forces that influence the origin or maintenance of organizational culture. They include: the belief and value of the founder members in propagating policies, programs and statements; societal norms of the surrounding society; the problem of external adaptation and survival pose a challenges necessitating for organization to create their own culture; and problem of internal integration. The maintenance or reinforcement of Organization culture will depend on what manager, manner to which top management react to critical issue or crisis, type of role model provided, criteria for rewards and status and criteria for hiring, firing and promotion. The insight of these factors for maintenance or reinforcement of organizational culture provides insight into how to change Organizational culture.

This means that organizational culture can be changed by altering what manager measure and control; changing the framework for handling crisis or of making critical decisions; using different role model to champion implementation of new social order like recruitment, or orientation of new staff; changing criteria for allocation of rewards, promotion or dismissal.

### **2.7.1 Framework for Understanding Organizational Culture Change**

Vecchio (2006) argues that the framework for the origin, maintenance and modification of organizational culture depends on six factors: the critical decision of the founders member for vision and values; guiding idea and mission by founder or subsequent top management; goal or vision which embody a belief of the core idea; social structure for providing guiding pattern of inter-relationship among people and groups; norms and value which are influence by the mission and vision; remembering history and symbolism for selective remembering and interpretation. Other factors are: symbolism includes rituals and ceremonies, which communicate values, legitimize practices for loyalty and socialization of its member; and institution arrangement that provide formal policies, reward system and line of authority. Organization is viewed to have dominant culture that espouses critical core values shared by employees regardless of sub-cultures.

Source of change can be due to external or internal environmental factors. External factors include economic, labor and legal which create effects like inflation, recession and national economy. Internal factors include pressure to change attitude of the workers, decline in profitability and change in the key personnel. Technological changes might lead to success or failure: ability to adapt adequate structures to changes, degree on depending on category of one specific customer.

### **2.7.2 Approaches of Organizational Culture Change**

There are various approaches that can be used depending on the attributes on the organization and the implementers. Organizational change can be achieved through the Kotter (1992), outlines an eight step plan for implementing culture change. They are: -

creating sense of urgency for change; forming a coalition, formulation of new vision, communicate the new vision, empowering staff, developing short term objectives; consolidate improvement and reinforcing change. Another approach for culture change is the Action Research, which involve first collection of data for diagnosis and analysis as a form of feedback in selecting appropriate action for culture change before evaluating the outcomes. Appreciative inquiry could also be used to identify unique qualities, strength and capabilities which can be built on a culture change for improved performance. This appreciative inquiry is sometimes referred as 4-D since it allows for implementer to discover the suitable strength/capabilities, dream, design and implement culture change to steer organization to intended destiny.

Lewin (1947a, 1947b) provide three steps model for culture change: unfreezing, moving and freezing. Unfreezing phase allows change effort to create a break from the past behavior with objective of reducing resistance to the intended cultural change. Moving phase prescribes for use of deliberate efforts to get employees in the change process. Moving phase requires the implementer to set goals, institute incremental change, reinforce and support the change with correct structures and provide two-way communication. Freezing phase ensures that the culture change achieved is stabilized by balancing the restraining force. This model is applicable when changing behavior and behavioral pattern in stable environment and is being imposed by top-management. Gagliardi, (1990) favors an integrated approach where new organization culture is integrated with the existing culture, thus of reducing resistance to change.

According to Alvesson (2002), organizational culture change process consists of 5-steps: Link of a specific events to new culture to enable employee relate to; Managers to be

assisted to see new culture as a network of interactions but not any imposition from the top-management; Educate manager to see and understand the fragmentation that may exist within organization culture; Interpret the cultural elements to be done by groups not individual; and to understand the power that creates imbalance between group cultures.

The theories on cultural change require the implementer to first to lay the ground working through the use of professional or experienced cultural change managers. This allows the development of programs and processes to be used for cultural change (Vecchio, 2006). The professional or experience managers will act as cultural change agent and are expected to provide support, advice and to coach. The agent should provide a realistic view of the cultural change process with contingencies to self-guard against setbacks and challenges unforeseen. Successes should be shared and celebrated. Communication is very important at all levels, especially for the successes, while failures handle through a well-developed strategy.

To understand culture, one needs to think of wider belief that influence on organizational culture. One can argue that because of education, socialization and interaction with consultants, manager tend to belief that organizations 'have' culture that is controllable and can be changed to a desired ways, which form a basis for most literature of organizational culture change (Schein, 1990, 1996, 2004).

Mullins (2002) argues that resistance to change may be due to selective perception, perceived inconvenience, stress, loose of freedom or security of the past, and fear of unknown. The problem that can lead to stress include lack of communication, culture of blaming when things go wrong, denial of potential problem and expecting people to work

long hours. Stress unless managed could lead to resistance. Stress can be managed by providing opportunities for staff to contribute during change process, developing clear mission, vision and values, good communication and close employee involvement. Management of stress can be done by having leaders who are approachable and who sets good examples or through the use of change agents to provide effective support. In order to secure effective change, there is need to create sense of urgency, build a guiding team with senior managers, address resistance formally by incorporating resistance management in planning and use effective change management to make change stick.

### **2.7.3 Organizational Culture Change Agents**

In change management, it is crucial to identify influential people (change agents) who can convert others. The change agents are people who can enable or block an initiative. They include: endorsers, who are positive about change; resister, who have negative view; and fence-sitters, who see potential benefits and potential drawbacks about change. A research on UK's National Health Service by Battilana and Casciaro (2013), revealed that the likelihood of success of change depend on the three characteristics of the change agent's networks of informal relationships: where the agent has a central position in organization's informal network regardless of their position in the formal hierarchy; agent who bridged disconnected groups and individual were more effective in dramatic reforms, while those in cohesive groups were suited for minor changes; and being close relationship to fence-sitters were suited for minor changes but hindered major change attempts.



The shape of networks in organization matters in influencing change (Battilana and Casciaro, 2013). In cohesive network, people are connected to one another, resulting to high levels of trust, mutual support, communication and co-ordination. A cohesive group works well when the change is not divergent. Most people will trust the change agent and those who are harder to convince will be pressured by other group members to comply. In the bridging network, the agent is connected with people who are not connected to one another, allowing the change agent to control when and how to pass information. A more dramatic transformations works better in a bridging network, because resister are less likely to form a coalition and the agent can vary the timing and framing of the message to meet individual needs and goals.

The finding by Battilana and Casciaro (2013) underscores the importance of networks in influencing change, especially on agent's network centrality is critical to success, whether middle manager or high-ranking boss. In large organization, formal and informal structures exist. Most scholars and practitioners recognize the role played by informal structures in influencing organizational change and processes, regardless of the leader's position in the formal hierarchy.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter describes the methods and procedures that were used to conduct the study. It includes research design, target, data collection and data analysis techniques.

### **3.2 Research Design**

The study employed case study, since the required data relates to perception at one particular point in time. The case study looked at ideas about important and critical issues or aspects that influence change in organizational culture. The case study allows in-depth understanding on organizational culture change and its associated variables.

The case study allows researcher to obtain extensive knowledge and experience from the key respondents about organizational culture change in KPLC. Cooper and Schindler (2008) note that case studies are used to analyze few events or condition in order to get in-depth contextual analysis.

### **3.3 Data Collection**

Primary data is information gathered directly from respondents and the data type will be descriptive in nature. The instruments that were used for this study the researcher was interviews with open ended question. The technique involved face-to-face conversation between the researcher and respondent. The interview question covered critical variable on organizational culture change. The questions were developed using simple and clear language. The interview questions and covering letter were mailed to the respondent in

advance. The interviews were conducted in the respondent's place of choice and time. The respondents were being asked the interview questions and any clarification given. The respondent after understanding the question was allowed to express themselves freely.

Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, published data, ISP document, rebranding, culture change processes, and information from web sites among others. The secondary materials were checked for their credibility, authenticity, clarity, and representativeness.

The respondents comprised the key personnel with who have been involved in implementing organizational culture change. These respondents were experienced and knowledgeable on organizational culture change or were line-manager used to champion it in their respective divisions or departments. The respondent included the chief managers from key division such as Customer Service, Information Technology and telecommunications, Finance, Human Resources and Administration, Distribution, Communication, and Operation and Maintenance. Other key respondents were from member of rebranding secretariat and the consulting leader.

### **3.4 Data Analysis**

The data was analyzed through perusal of completed interview questions and answers against the issued out list. The answers were checked for completeness and cleaning done to eliminate any discrepancies. The data for each variable in the interview questions and secondary source were analyzed using content analysis.

Content analysis methodology is used to analysis documents and text by quantifying the content or answers into categories already defined. This allows a systematic approach for answers replicated by different respondents. Content analysis is flexible and can be used for different media. Inference drawn depended on each variable regarding organizational culture change.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter deals with findings from the interview conducted and data extraction from the secondary sources. The chapter includes factors that necessitated for organizational culture change, implementation of culture change in KPLC, challenges encountered during its implementation and discussion on the findings.

### **4.2 Factors for Organizational Culture Change at KPLC**

When asked for the main reasons for KPLC organizational culture change, the respondents highlighted several factors starting with customers' demands, anticipated competition, technological innovation, government legislation and poor perception of KPLC as brand. The customer's demand was due to change in customers' taste, education and globalization. The customer demanded for quality and reliable supply of electrical energy to their premises. The other factor for cultural change was the anticipated increase in competition, where KPLC was slowly starting to be viewed as an alternative supplier of electrical energy instead of dominant supplier. Some companies like Kenya Refineries Limited, some Tea factory and cement manufacturing plant were using KPLC's energy as an alternative. Currently, Mumias Sugar Limited is generating its own power for internal use and selling surplus to KPLC.

The respondent indicated that trend of using KPLC's energy as an alternative was catalyzed with liberation of energy sector through enactment of the new legislation of Energy Act, promulgation of new constitution of Kenya and implementation of

performance targets by government of Kenya. The respondent indicated the performance contract by government increase annual connectivity to more than 300,000 customers.

The other factors for organizational culture change as indicated by respondents was poor image of the brand as encompassed by its mission, vision and values. The employees used to see the company as a distinct entity, technical, far and separate from them. The brand, or the vision, mission and values did not inspire the employees to live and walk the talk of the brand. Thus, this was contributing factor for creating new mission, vision and values and KPLC brand.

Respondents indicated that the other factor was technological changes adapted by the company, which required re-alignment of organization culture to reap maximum benefits. Some of technological changes implemented include mobile payment, messaging, and online complaint management system, pre-paid metering and automatic metering for post-paid large power customers.

Lastly, it was noted that most of the changes done earlier by KPLC did not address the value proposition of the customer. The changes addressed the technical aspect of the company especially efficiency, effectiveness, passion, and integrity, leaving the customer hanging. Prior survey on perception of KPLC brand and its culture indicated need for new KPLC brand that personify young, energetic and techno savvy company. The survey also indicated the need to focus on the customer, to prepare for competition and a change in organizational culture with new mission, vision and values.

### **4.3 Implementation of Organizational Culture Change at KPLC**

The section deals with process of implantation of organizational culture change in KPLC. It looks at the process from beginning to the end of organizational culture change management. The section is divided into subsection, namely, environmental analysis in where the change process scanned the environmental factor and individual analysis.

#### **4.3.1 Organizational Analysis**

The mission, vision, and values were first evaluated by the leadership of the organization. The objectives of this evaluation was to provide opportunity for top management to critical think about status quo, to inspire and transform the way top management think about the mission and vision; provide framework of freedom for success and to analyses the operating environment. KPLC was able to recognize that the current culture is not aligned with prevailing environment. The top management decided to use a consortium of three external consulting companies to spearhead the process of organizational culture change. The consortium of the three companies had expertise in managing organizational culture change process and experience of transforming organizations with similar size and complexity like KPLC.

From the reviewed of the secondary information and interviews, the terms of reference for organization culture change were formulated from the results of a survey on the existing organizational culture. The term of references included: comprehensive description of the desired organizational culture, the action plan for its implementation and roll-out; the strategies, methodologies, tools and framework for creating, embedding, monitoring and evaluation of the desired organizational culture and performance; and

lastly to provide comprehensive training for capacity building and communication strategy and process culture change life cycle. The other terms of was to recommend the vision, mission and core values for the desired organizational culture.

The process of organizational culture change was implemented in four major stages. The first stage was to formulate mission and vision with the prevailing environment, customer expectation and firm's capability. The vision and mission were subjected to different groups for deliberations and critique until consensus on the desired core values and behavior. The workshop on the new mission, vision and values was cascaded from the top management to staff in lower levels. The communication strategy was developed to provide continuous communication to different stakeholders during and after implementation. The executives and top management were taken through coaching to enable them provide leadership and support required for the implementation of the new mission, vision and core values.

The second stage was the launch of the new vision, mission and values to the whole organization and stakeholders. This was to provide visual evidence of the change through the launch, new logo, uniforms and banking halls. The stage involved communication process using cascaded mission leadership workshop to clarify and align staff to new organizational culture. Training for culture change agents or ambassadors was done to enable them lead the new culture change. Special tools for tracking and measuring performance of the culture change processed were developed and employed at different stages. High performance training (HPT) extended to the majority employees with objective of enhancing capacity and foster awareness for new culture.



Stage three was concern with continual tracking to assess progress achieved on various aspects of organizational culture and behavior against set targets. The fourth stage was a maintenance stage for the new organizational culture. It was concern with tracking the performance of new culture and providing with reinforcement measures which included re-training, remodeling of brand ambassadors and introduction of brand councils. The brand councils were later introduced to bridge the gap of evaluating the implementation activities and of enhancing the organization culture through appropriate trainings. Maintenance of new culture and hence brand is a continuous process of using performance trackers to identify gaps and providing workshop for capacity building and training.

#### **4.3.2 Environmental Analysis**

The respondent indicated that the KPLC department for Communication did not have sufficient capacity and experience internal to handle culture change and rebranding, hence opted for consortium of consultants from three companies. The consortium of consultants had experience and expertise in public relation, culture change management and branding. The KPLC also visited companies that had done similar exercise so as to learn from their experience. From the information learned from the companies which have done culture change and in conjunction with the consulting firm, communication strategy was developed, that provided guideline on development, testing and approval of processes of communication throughout the process of organizational culture change.

The respondents also indicated that a training strategy was initially targeted for groups with objecting achieving team synergy through High performance Team training. The outcomes from this training indicated a gap on individual; hence the training strategy was

revised to first address the individual. This was done through special training dubbed Unlocking Personal Potential for majority of the staff.

### **4.3.3 Individual and Group Analysis**

There were two issues affecting individuals and groups in KPLC when changing organizational culture change. At individual level, there was need to change the heart or the organizational commitment of staffs especially their orientation, attitudes and values from inwards where the focus was on KPLC, which was too technical, to an out-towards orientation delighting customer, being the purpose of mission statement. Organizational commitment is seen as individual's psychological bond to the organization, creating a sense of loyalty, job involvement and a belief in mission, vision and values.

At group level, there was lack of formal visible leadership acceptable to the group to champion the culture change. Using the formal structure, some of the leaders were not acceptable, or did not exhibit positive attributes required for an outgoing culture change. The company opted to choose a mix of formal leaders and informal leaders as agents of change who were referred to as ambassadors.

## **4.4 Challenges of Implementing Organizational Culture Change at KPLC.**

When asked to state the challenges encountered and how they were mitigated when implementing organizational culture change, the respondent indicated resistance to change, harmonizing the process of culture change, communication, escalation of cost

and co-coordinating the entire process company-wide, building one team with common goal and purpose, and managing high expectation from stakeholders.

Resistance to culture change was experienced in some top leaders and in some staff at the bottom level. Resistance was attributed to loose of freedom or security of the past, fear of unknown and responsibility of meeting the new targets/expectations. Resistance could be attributed to certain tend to obstacles to accurate perception and judgment. The judgment may be based on different scenarios: stereotyping where judgment is based on group membership like sex, race, ethnic for quick evaluation; the halo effect where users use a general impression of favorableness or favorableness trait as basis of judgment; projection to protect oneself; deny through perpetual distortion; and selective perception as a basis of influencing our own perception.

There was high expectation from the stakeholder especially the customer who expected immediately results from organizational culture change. Internal survey indicates a gap between the awareness of the brand being 92% and the performance of the brand at 70%. There was a disconnect between what customer want relative to bring all business quotients to have a satisfactory returns to shareholders, growth and other targets. The challenge of understanding customer's expectations in terms of quality, delivery, price and technical assistance, underscores customers' orientation phase of business and culture change.

The other challenge was to develop culture change leaders or agents who match the expectation of the desired change by the Chief Executive Officer (CEO). The change agents are charged with directing culture change effort throughout the organization. The

top management is always busy with other responsibilities, hence not best to work on trenches on daily basis, but their support is crucial creating climate where change is embraced. The change agents are charged with four areas for organizational development, namely: organizational capacity allow agents to focus on staff capacity to meet the new desired changes in the service, product, and culture; organizational flexibility by flattening the learning curve; organizational technology by moving everything to online or web-enabling the entire organization; and organizational hierarchy focuses on great ideas, insightful visions and challenging examples rather than emphasizing on titles, authority or organizational levels. The culture change agent focuses on assisting organizational members to adapt to, and apply the new culture.

The other challenge is in recruiting or promoting competent and qualified people with desired traits that promote organizational culture change. In a changing financial growth with high and low growth, organizations tend to search for people with capable talent to take responsibility for operations and management in dynamic environment. This creates three-fold challenge: recruiting self-starter who have initiative, ability to grow and learn with organization dynamics; ability to attract and keep qualified competent people both from technical, professional and support perspective; lastly, attracting and retaining line managers to steer the organization in the present and future business needs. Hence understand company labor supply and more particularly knowledge, skills, competencies and other attributes required is a major driver for organizational culture change.

The other challenge identified through interview and secondary source was communication before, during and after organizational culture change process. The process of communication was meant to address the five directions: central

communication to serve management or self; outwards being communication to customers, suppliers and other stakeholder; upwards communication to serve the senior managers and Chief Executive Officer; across communication to serve teams and colleagues; and downwards to address employees and union. Communication should meet the following expectations: access information; upward communication; face-to-face contact and effective line managers. Although there was a communication strategy spearheaded by Communication department, there were communication gaps, likely caused by discontinuous information flow.

## **4.5 Discussion**

This section deal discussion that tries to link the results to the theories of organizational culture change and to the empirical research studies. The empirical studies were highlighted earlier in chapter one.

### **4.5.1 Links to Theory**

The training strategy used was first to address the individual awareness and group dynamic through training of Unlocking Your Potential and High Performance Team (HPT) respectively. The first training (Unlocking Your Potential) was administrated to the majority of the staff members and was very successful. The training of agents or ambassador was done to supervisor and to the selected staff that were going to act as trainer, who in turn trained larger group of 1000 staff.

The training of supervisor and change agent (ambassadors) was in recognition of the role played formal and informal groupings in altering or influencing group's culture (Burnes,

2009) and group being a powerful force in organization (Graham and Bennett, 1998). The findings from the interview supported the group dynamic theory that individuals have to comply with group norms and practices (Lewin, 1974a, 1974b). The needs to training individual on unlock their potential basically support individual perspective theory, Gestalt-Field analysis and cognitive learning theory, which advocate for learning to enable individual to understand themselves and situation a basis of behavioral change.

The formation of steering committee with members from different division was essential creating synergy and team spirit, since the KPLC divisions are interrelated and interdependent. This support the system approach theory hence views KPLC division as sub-systems of whole (Burnes, 2009). There were workshops on the new mission and vision with objective of formulating core values. The workshops were used to empower and engage staff, enabling organization to build teams, commitment and create sense of ownership.

The factors for culture changes were caused by internal environment and external environment, which further support to organization as an open system and social-technical system. The methodology used in implementation of organizational culture change in KPLC relied heavily on the contingency approach, where management adapted appropriate structure, culture and leadership during different stages of implementation (Mullins, 2003). The adaption of four stage model for implementation of organizational culture change underscore the essence of planned approach used for change management.

#### **4.5.2 Links to Other Empirical Studies**

The importance of aligning the organizational culture to changes in organization as indicated by results agrees with other studies (Obosi, 2010; Okeyo, 2010 and Gitau, 2010). It as agrees with study by Sebastian (2010) that organizational culture influences the performance of organizational as seen in case of Kenya Airways. The study by Kabere (2003) on KPLC responses to changes in the environment indicates need to align culture.

The result underscores the importance played by matrix of change agents in organizational culture change process. This finding agrees with the research by Battilana and Casciaro (2013) on the UK's National Health Service on the role played by agent's network. This study found the centrality of agent's informal network, being close to fence-sitters, and bridging of disconnected groups or individuals was critical to success influencing change. Resistance to change was handed through training and communication, which agrees with the finding rebranding of KPLC (Gitu, 2010).

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

## **5.1 Introduction**

This chapter deals with the summary from the finding, the conclusion from this research project, conclusion and the limitations of the study. It also suggests areas that require further research and finally the project highlights recommendation to policy makers and practitioners.

## **5.2 Summary of Results**

This section deals with the findings from the research project on the organizational culture change in KPLC. The organization culture change were expected to occur during the Institutional Strengthening Project(ISP) in 1997, the introduction of performance contracting by government of Kenya in 2003, the management of the KPLC by Manitoba Hydro in 2008 and the rebranding and culture change in 2010.

### **5.2.1 Management of Organizational Culture Change at KPLC**

The cultural perspective adopted by KPLC was integration perspective, which conceptualizes cultural change as organization-wide transformation that achieves unified homogeneity and interpretation of shared values (Martin, 2002). The change management approached used for implementation organizational culture was planned approach with four stages: an hybrid model which combines the Lewin's three phase change model (Lewin, 1947a, 1947b), Kotter's eight step plan model (Kotter, 1992) and Alvesson's



five steps model(Alvesson, 2002). This also conforms to Vecchio's framework for the origin, maintenance, and modification of organizational culture (Vecchio, 2006).

The change process was spearheaded by the KPLC top management consisting of a multi-divisional, who used consultants from a consortium of three consulting companies with experience and expertise in the cultural change process. This supports the argument of using external consultants in managing organization culture change (Vecchio, 2006).

The cultural change process used the support of change agents or ambassadors, selected from formal and informal network of the organization and taken through training. This agrees with other research done in UK's National service where effectiveness of change agents from both formal and informal organization structure (Battalana and Casciaro, 2013).

### **5.2.2 Challenges of Organizational Culture Change**

The finding shows that there were several challenges experienced during the implementation of organizational culture change. The challenges included: resistance to cultural change; high expectation from stakeholders; difficulties of developing change agents or ambassadors with desired qualities; limitations of human resources policy that promote desired traits that suitable for cultural change; and communication gaps. Some of these challenges were anticipated and were prepared for by the organization.

The resistance was managed through using a multi-sectorial committee to steer the cultural change process, training that targeted individual and groups level, and use of communication strategy that allow dissemination and access of information. The high expectation from the stakeholders was mitigated with survey that outlined the expectation

from the stakeholder before the implementation, followed by with regular survey to track the achievement after implementation. The change agents or ambassadors were taken through comprehensive training to enhance their capacity and monitoring was done using trackers limited on the organization, hence individual performance is not evaluated. There was a comprehensive communication strategy that was used to communicate to stakeholder during the entire process of culture change. The communication tools used includes pamphlet, briefings, team talks, flyers and media. Since the process of culture change takes long to achieve, there were gaps or laxity due to internal factors. The process of training of individual was constrained to due budgetary limitations; however a substantial number of staff has been training.

### **5.3 Conclusion**

Organization culture change process was implemented using hybrid four stages model with objective of achieving homogenous, congruence organization-wide culture, with assistance of external consultants and use of change agents or ambassadors from formal and informal structure of the organization. The organization culture change was as result on changes in the internal and external environment, underscoring the premise that organizations are environmentally dependent and changes in environment affect them.

Training of individuals and groups is critical in the building organization capacity, fostering awareness and in reducing resistance towards the intended cultural change. Individual training shaped attitudes, competencies and fostered awareness, enabling the individual in understanding themselves and situation, which are fundamental to

behavioral change. Training of groups enables the group to embrace the desired behavior and values, thus accelerating of the desired culture change in the organization.

Successful organizational culture change start with formulation of mission and vision, which provides clear sense of purpose, direction and urgency. The formulation of core values through discussions and workshops on the mission and vision. The workshops allow organization to empower and engage their employees to create teams and develop capacity. This results to employee being committed to implementation of culture change, work and ownership. Employees hence feel that their inputs were incorporated.

#### **5.4 Recommendations**

Organizational culture change process requires training for individuals and groups in order to reduce resistance. The training for individual should target employee with permanent contract, fixed contract and daily casuals. The objectives of individual training are to assist individual in understanding themselves and situation they find themselves with aim of altering their behavior.

The organization should develop a recruitment strategy and policy guidelines to enable the company manage recruitment, promotion, reward and dismissal of staff. The policy should address orientation of new staff, criteria of allocation of rewards, promotion and dismissal. This policy will enable the organization to reinforce the desired values necessary for cultural change.

The organization should review it policy on the change agents, ambassador and change council with clear performance trackers for each of them. The policy should outline

criteria of choosing agents who are central to informal network and central to formal network. Also the policy should address the change agents to be used in influencing fence-sitters and how to bridge disconnected groups or individual.

## **5.5 Limitations of the Study**

There was no sufficient time to explore all factors and challenges in details, in order to establish their criticalness and impact in KPLC's culture change. There is need to evaluate the impact of using change agent, the effectiveness of high potential training given to individuals and impact of day casuals relative to implementing organizational culture change.

The research project was limited to KPLC, whereas there are many other stakeholders: the customer, suppliers, government and other bodies in the energy sector that might influence organization culture change. The study should be extended to KENGEN, KENTRACO and Ministry of Energy and Petroleum. The study did not look at the how politics, regional cultures and professional culture influence culture change in KPLC.

## **5.6 Suggestions for Further Research**

There is need to assess the impact of training on different levels of staff and its influence on achieving organization culture change. This will enable the company in formulating training strategies on different level of staff especially in achieving high impact in cultural change and in creating a flexible learning organization.

The other areas that requires further research is the performance of individual change agents, ambassador or champions. Although there was a general tracker used to evaluate

performance of organization, there was no tool available to evaluate the performance of individual agent or ambassador. This will enable implementers to monitor and evaluate individual change agents or ambassadors.

There is need for further research on the impact of leadership, group culture or change agents (ambassadors) in successful implementation of organizational culture change in a utility firm. Also, there should be research to study the influence of different ethnic culture, different professional cultures and role of corporate politics in implementation of culture change in organization.

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## APPENDICES

### APPENDIX 1: LETTER SEEKING INTERVIEW

Samwel G. Onyambu  
P.O. Box 30099 – 00100  
Nairobi

28<sup>th</sup> August 2013.

Dear Sir/Madam,

**INTERVIEW ON ORGANIZATIONAL CULTURE CHANGE AT  
KENYA POWER AND LIGHTING COMPANY LTD (KPLC).**

I am carrying out my MBA project on Organizational Culture Change in KPLC. I have attached a guide to each question where it allows you to answer freely. My target is to interview critical employees involved in organizational culture change and also the line manager who were supposed to champion this change in their respective divisions. Should you require any clarification, please let me know.

I would appreciate if you could indicate time and place convenient for the interview. Your answers would be treated with confidentiality.

Yours Faithfully,

**Samwel G. Onyambu**

Encl.

## APPENDIX 2: AUTHORIZATION FROM THE UNIVERSITY



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAMME**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE... 02/09/2013

**TO WHOM IT MAY CONCERN**

The bearer of this letter ... SAMUEL G. ONYAMBU .....

Registration No. ... D61/71149/2008 .....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



✓ **PATRICK NYABUTO**  
**MBA ADMINISTRATOR**  
**SCHOOL OF BUSINESS**

## APPENDIX 3: AUTHORIZATION FROM KPLC



Kenya Power

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The Kenya Power & Lighting Co. Ltd.  
Central Office - P.O. Box 30099 Nairobi, Kenya.  
Telephone - 254-20-3201000 - Telegrams 'ELECTRIC'  
Fax No. 254-20-3514485  
STIMA PLAZA, KOLOBOT ROAD

Our Ref:

Your Ref:

KPL/5BA/421/AAA/s

5<sup>th</sup> September 2013

### TO WHOM IT MAY CONCERN

#### RESEARCH APPROVAL

Reference is made to the subject matter mentioned above.

Kindly allow Samuel G. Onyambu, an MBA student at University of Nairobi and also a Kenya Power staff to carry out a research project in the Company on *“Organizational Culture Change in Kenya Power & Lighting Company Ltd.”*.

This authority notwithstanding, discretion must be exercised in the use of company information including business strategies and policy documents.

The Research Project should also not disrupt normal working hours and Company's flow of work.

Yours faithfully,  
For: KENYA POWER & LIGHTING CO. LTD.

  
AGUSTINE AMBOKA  
For: HUMAN RESOURCE DEVELOPMENT MANAGER

## APPENDIX 4: INTERVIEW QUESTIONS

### 1. Interview Details

Name (Optional)	
Tel. (Optional)	

### 2. Number of Years worked in KPLC in senior position

### 3. What were the main reasons for KPLC culture change? Kindly explain.

- a) Government Legislations \_\_\_\_\_  
\_\_\_\_\_
- b) Technological Innovations \_\_\_\_\_  
\_\_\_\_\_
- c) Customer Demands \_\_\_\_\_  
\_\_\_\_\_
- d) Anticipated Competition \_\_\_\_\_  
\_\_\_\_\_
- e) Others (Specify) \_\_\_\_\_  
\_\_\_\_\_

### 4. How was internal communication done during the KPLC Cultural change?

- a) Two way communication \_\_\_\_\_  
\_\_\_\_\_
- b) Communication was easy to understand and persuasive \_\_\_\_\_  
\_\_\_\_\_
- c) Communication was easy to understand and persuasive \_\_\_\_\_  
\_\_\_\_\_
- d) Communication was easy to connect \_\_\_\_\_  
\_\_\_\_\_

e) Others (Specify) \_\_\_\_\_  
\_\_\_\_\_

5. Explain how effective were the following in signaling culture change in KPLC?

a) Creation of a management unit \_\_\_\_\_  
\_\_\_\_\_

b) Creation of Steering committee \_\_\_\_\_  
\_\_\_\_\_

c) Used of line manager \_\_\_\_\_  
\_\_\_\_\_

d) Use of champions \_\_\_\_\_  
\_\_\_\_\_

e) Organizational structure \_\_\_\_\_  
\_\_\_\_\_

f) Others (Specify) \_\_\_\_\_  
\_\_\_\_\_

6. Explain how the following contributed to the success cultural change in KPLC?

a) New KPLC Logo \_\_\_\_\_  
\_\_\_\_\_

b) Staff uniform \_\_\_\_\_  
\_\_\_\_\_

c) New color of vehicle \_\_\_\_\_  
\_\_\_\_\_

d) New design and coloring of banking hall counters \_\_\_\_\_  
\_\_\_\_\_

e) Others (Specify) \_\_\_\_\_  
\_\_\_\_\_

7. Explain if you think the following influenced for the KPLC Cultural change

a) Organization to appear like other organization of similar size. \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

b) Use of external consultants \_\_\_\_\_  
\_\_\_\_\_

c) Resistance to change \_\_\_\_\_  
\_\_\_\_\_

d) Other attributes of manager that influenced smooth culture change \_\_\_\_\_  
\_\_\_\_\_

10. To what extent do a strong Top executive influence success of culture change? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. To what extent did the new culture influence recruitment, rewarding system and any Human Resource gap? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. How did change deal with the monopolistic thinking of employee? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. How was teamwork and collaboration addressed \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. Explain other aspect that were address for smooth culture change \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**END.**

**THANKS FOR TAKING YOUR VALUABLE TIME TO ANSWER THE  
INTERVIEW QUESTIONS.**

