STRATEGIC CHANGE MANAGEMENT PRACTICES AND PERFORMANCE OF NON GOVERNMENTAL ORGANISATIONS IN NAIROBI, KENYA

BY

DAISY AKINYI OCHIENG

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2013

DECLARATION

I declare that this research project is my original work and has not been presented to any other university for the award of a degree.

Signature ..... Date.....

Daisy Akinyi Ochieng

Reg Number: D61/63462/2011

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

Signature..... Date ……

Dr. J. M. Munyoki

Senior Lecturer,

Department of Business Administration

University of Nairobi

DEDICATION

To my family members, particularly my mother, sister and children, you encouraged and made me believe that I could make it.

ACKNOWLEDGEMENT

The completion of this work has been made possible through the support and encouragement I have received from family, colleagues and friends who have provided me with necessary information. I would like to extend my heartfelt gratitude to my Supervisor, Dr. J.M. Munyoki for his assistance in providing direction and guidance. Special thanks to Judy Marian and Taurai Matione for their endless effort and help during the course of my MBA studies.

TABLE OF CONTENTS

DECLARATION ii

DEDICATION iii

ACKNOWLEDGEMENT iv

LIST OF TABLES viii

LIST OF FIGURES ix

ACRONYMS & ABBREVIATIONS x

ABSTRACT xi

CHAPTER ONE: INTRODUCTION 1

1.1 Background of the Study 1

1.1.1 The Concept of Strategy 2

1.1.2 Strategic Change Management 4

1.1.3 Organisational Performance 6

1.1.4 NGOs in Kenya 6

1.1.5 NGOs in Nairobi 7

1.2 Research Problem 8

1.3 Objectives 10

1.4 Value of the Study 10

CHAPTER TWO: LITERATURE REVIEW 12

2.1 Introduction 12

2.2 Theoretical Foundations of Change Management 12

2.2.1 The Individual Perspective School 12

2.2.2 The Group Dynamics Group 13

2.2.3 The Open System School 14

2.3 Approaches to Strategic Change Management 15

2.4 Strategic Change Management Models 16

2.4.1 Kurt Lewin Three Step Model 16

2.4.2 Bullock and Batten Model 17

2.4.3 Mckinsey 7- S Model 17

2.5 Performance Management 18

CHAPTER THREE: RESEARCH METHODOLOGY 22

3.1 Introduction 22

3.2 Research Design 22

3.3 Population of Study 22

3.4 Sample Design 23

3.5 Data Collection 23

3.6 Data Analysis 23

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION 24

4.1 Introduction 24

4.2 Strategic Change Management Practices 24

4.3 Performance Management 29

4.4 Results and Discussions 36

CHAPTER FIVE: SUMMARY , CONCLUSIONS AND RECOMMENDATIONS 38

5.1 Introduction 38

5.2 Summary 38

5.3 Conclusion 39

5.4 Limitations 40

5.5 Recommendations 40

5.5.1 Recommendations with Policy Implications 40

5.5.2 Recommendations for Further Research 40

REFERENCES 41

APPENDICES 45

Appendix I: Questionnaire 45

Appendix II: Targeted Respondent Organisations 50

LIST OF TABLES

Table 4.1: How the NGOs in Nairobi County React to Business Environment.....24

Table 4.2: Forces of Change 25

Table 4.3: Initiators of Strategic Change Management 26

Table 4.4: Perception of The Respondents on the Affected Strategic Change Management Process 29

Table 4.5: Perception of the Success on Strategy on the Measures of Performance ..32

Table 4.6: Impact of the Strategic Changes on the Performance Indicators.....35

Table 4.7: Benefits Realized by Employees from the Strategic Change Management Practices 35

LIST OF FIGURES

Figure 4.1: Respondents Awareness and Familiar with the SCM Practices Adopted 27

Figure 4.2: Influence of Strategy on Strategic Change Management Plan.....28

Figure 4.3: Perception on the Importance of the PMS as an Important Tool 30

Figure 4.4: Importance of the Reward System in Relation to the PMS.....31

Figure 4.5: Communication of the PMS to the Staff 32

Figure 4.6: Rating on the Rewards to the Employees who Meet the Targets Set by the Change Practices.....33

Figure 4.7: Satisfied With Level of Resource Used To Implement the Change Process and Performance Enhancement.....34

ACRONYMS & ABBREVIATIONS

CEO	Chief Executive Officer
COO	Chief Operations Officer
EPS	Earning per share
INGO	International Non-Governmental Organisation
NFP	Not for Profit
NGO	Non-Governmental Organization
PMS	Performance Management Systems
ROCE	Return on Capital employed
ROSC	Return on shareholders' capital
SCM	Strategic change management

ABSTRACT

Strategic change management today has become an important aspect in every organization universally and is considered one of the best practices as there is no constant organization. Strategic change management is one of the best practices that can promote performance in an organization. This study set to determine the strategic change practices and performance of Non-governmental organizations in Nairobi, Kenya. The study applied cross sectional survey. Primary data was collected through a structured questionnaire administered to senior level managers, middle level managers and supervisors in the study organizations. Secondary data was collected through review of contents of various relevant reports and publications available on the strategic change management and performance of the NGOs. Data was analysed using Microsoft excel and statistical packages on social sciences (SPSS). The study found that the strategic change management practices in NGOs in Nairobi were necessitated by change in the stakeholder needs and preference. The study results found that strategic change management practices and performance are considered to be very important by these organizations. It was also noted that employee welfare and staff morale were not taken keenly in the change process. The study recommends that more need to be done in relation to the employee welfare and morale. The study recommends further research on the strategic change management practices on performance in the NGO sector particularly on the performance systems to determine if they are used as management tools of control or responses to strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Today's organizations are challenged to survive and thrive in an environment of unprecedented turbulence. Consequently, the environmental turbulence has necessitated and influenced the organizations reaction to the changes witnessed in order to sustain competitive advantage within the environment in which they operate. According to Cummings & Worley (2009) strategic change is a recent influence on organizational developments' evolution as organizations and their technological, political and social environments have become complex and more uncertain, the scale and intricacies of organizational change have increased. This trend has produced the need for a strategic perspective and discouraged planned change processes at the organization level.

Strategic change involves improving the alignment among an organizations' environment, strategy and organizations' design. A well designed and implemented strategy management system - integrating planning, execution, and change leadership - enables organizations to respond to change with better strategic focus, aligned action, employee engagement, prioritization of projects and budgets, and measurable results. Just like the rest of the world, Kenyan organizations in all sectors have not been spared from the global business cycles like the recent global recession whose effects are still being felt in terms of credit crunch, declining markets and reduced profits. In general the Kenyan NGO sector has seen reduction in funding flows that has necessitated a rethink in their operational strategies and therefore consequently management of strategic change to enhance their performance.

1.1.1 The Concept of Strategy

Johnson and Scholes (1999) define strategy as the direction and scope of an organization over the long term: which achieves advantage for the organization through its configuration of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations. In addition, Pearce, Robinson and Mital (2007) define strategic management as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. The strategy provides critical tasks which involves planning, directing, organizing and controlling of a company's strategy related decisions and actions. A strategy is a company's game plan that does not specifically detail all the future deployments (people, finances, material) it does provide a framework for managerial decisions and operationalizing of the same.

Although there are different definitions they tend to point towards confirming that strategies are long term, have strategic direction and organization (Johnson, Whittington and Scholes, 2011). It is important to note that the strategy process is mainly undertaken at the corporate level which comprises of the organizational chief executives and directors while the other levels like business and operational levels ensure that the strategy implementation is a success. The business level strategy helps bridge decisions at the corporate and functional levels.

Strategic management involves the process of formulation, implementation and control with each step providing guidance on the internal and external analysis of organizations, possible strategy guidance as well as monitoring and evaluation tools to use to ensure success in the strategy development. In addition, Johnson, Whittington

and Scholes (2011) state that strategies employed differ depending on the industry at play therefore some of the characteristics of strategy include: should be industry specific, functional, flexible, and technically superior to maximize return on investment. Thompson, Strickland & Gamble (2008) stress the need for flexibility in strategy due to the ever changing ever changing external environment. In addition they argue that an organization strategy would be considered a winner when the strategies fit the enterprise's external and internal situation, build sustainable competitive advantage, and improve company performance.

According to research study by Riungu (2008) she identified that essentially, strategic management processes have a direct impact on organizational performance and that they affirm that organizational performance is measured in terms of results. The term performance generally carries with it an understanding of a degree of achievement of an operation or a set of connected operations, in so far as an organization's goals and objectives are concerned. These operations may have been formally put in place by the organization to evaluate and monitor the organization's capability to successfully meet its goals and access its employees and stakeholder responsiveness to what has been learned, through the adoption of efficient structures, systems and capital investments.

Objective performance indicators need to be put in place to monitor processes and criteria to evaluate organizational performance and change and to report any noted deviations from the organizational expectations. Through this, the cause of failure may be addressed and success enhanced within the organization. Performance measurement serves the purposes of control and oversight of progress, recognizing

and rewarding performers and encouraging and improving non-performers. It is therefore critical to appreciate that strategy is a process and all the interrelated steps have to correlate if any organization success has to be achieved.

1.1.2 Strategic Change Management

Strategic change management is a set of processes employed to ensure that significant changes are implemented in a controlled and systematic manner. Management of strategic change in any organization will depend on the magnitude of the challenge faced in trying to effect strategic change. It is not practical to assume that leading change effectively in one context is the same as in another and assumptions made that approaches to change are readily transferable between contexts (Johnson, Whittington and Scholes, 2011).

NGOs today have embodied change management strategies to ensure maximization of resources and optimal returns achievable each with their specific motivations therein. More so the not for profit sector has been dogged by the economic effect of the donor countries necessitating change in every aspect of their operations. Organizations in the various sectors need to implement effective strategic change management programmes to their business processes, products, and/or to the organization itself. Burnes (2009) concurs with other researchers that organizations are changing at a faster pace and in a more fundamental way than ever before.

Motivations of the various stakeholders should also be taken into consideration and this will provide a convincing set up for the structuring and managing the change in an organization as well as the performance therein to ensure optimal results and

benefits. The change management practitioners have identified the types of change an organization can decide to choose: emergent or planned in this case at the total disposal of the organizations' strategists. Although predictions that re-engineering, re-strategizing, mergers, downsizing, quality efforts and cultural renewal projects would soon disappear; (Kotter,1996) disagrees with this notion and instead argues that powerful macroeconomic forces were at work and they would grow stronger over the next few decades. As a result, more organizations would be pushed to reduce costs, improve quality of products and services, locate new opportunities for growth and increased productivity. To date major change efforts have helped organizations adapt significantly to shift conditions have improved the competitive standing of others and positioned a few for a far better future. Kotter further identifies the forces that drive change such as technological change, maturation of markets in the developed economies, international economic integration among others.

McCarthy & Eastman (2010) argue that the overarching purpose of change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster. In addition various change models have been provided for guidance by various scholars to facilitate the process of change. The models are used to assess change at a macro level which many institutional leaders view. They reveal why change occurs, how change will occur and what will occur (Kezar, 2001).

1.1.3 Organisational Performance

Performance management involves goal setting, performance appraisal and reward systems that align member work behavior with business strategy, employee involvement, and workplace technology (Cummings & Worley, 2009). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. The measure of performance can be divided into two distinct types namely; the financial function mostly announced at the end of every financial year in terms of profitability and the non-financial function mainly measured by the; the company staff welfare, the company participation in corporate social responsibilities, customer satisfaction, efficiency in production and ability of the company to honour in time its statutory obligations (Marangu, 2012).

Performance Management is meant to ensure that an organization achieves its long goals and objectives in an efficient and effective way. Performance measurement was foremost intended for the business sector but since the gap between business sector and nonprofit sector has narrowed considerably the last decade, the interest in performance measurement has increased among researchers and practicians. The interest is due to the evolving pressure on showing effectiveness which is experienced by nonprofit managers (Larsson & Kinnunen, 2008).

1.1.4 NGOs in Kenya

The NGO coordination Act of 1990 defines NGOs as voluntary organization or grouping of individuals or organization which is autonomous and not –for- profit sharing; operating in the voluntary sector; organized locally at the grassroots levels, nationally, regionally or internationally for the purpose of enhancing the legitimate

economic, social and/or cultural development or lobbying or advocating on issues of public interest or interest of a group of individuals or organizations; but shall not include trade unions, social clubs and entertainment sports club, political parties, private companies or faith propagating organizations' (NGO Act, 1990). A non-governmental organization (NGO) is generally considered to be a non-state, nonprofit, voluntary organization. As a non-state entity, an NGO is generally independent from government influence and either not established by a government, or intergovernmental agreement, or, if established in such a manner, is not independent of such influence as a nonprofit organization, or "nonprofit distributing (NGO Handbook).

The NGO sector is one of the most expansive sectors in Kenya today. Kenya is home to approximately 5,929 registered NGOs according to official registration records with the NGO Coordination Board in 2009 (NGO coordination board, 2009). An NGOs Co-ordination Board was established by an Act of Parliament in 1990 and commenced its business on June 15, 1992.The main reason for the creation of the Board was to streamline the registration and Co-ordination of NGOs. The NGOs are registered by the Non-Governmental Organizations Co-ordination Board.

1.1.5 NGOs in Nairobi

According to the survey carried out by the NGO Coordination Board in 2009, Nairobi county played host to approximately 708 confirmed and verified NGOs. They include those that are international, national and community based. International NGOs in Kenya mainly have their headquarters or regional offices in Nairobi. They can be responsible for funding local NGOs, institutions and projects and implementing

projects. National NGOs include national organizations such as the Kenya Red Cross. Some have county branches and assist local NGOs. The community based NGOs are found within the specific local communities where the intended targeted clients are found (NGO Coordination Board, 2009).These NGOs operate in a cross section of sectors including: agriculture, water, education, environment, health, human rights, gender and development, children's rights, poverty alleviation, peace, population, training, counseling, small scale enterprises, disability and governance(Oranga, 2009; Oketch ,2011).

Recently changes have taken place in the world economy which in turn has affected the Kenyan economy that has had debilitating effects on the sector. The world economy in this case referring to the major donors of the said sector has led to a decline in the level of donor funding. The constraints in funding has led to the managers in this sector rethinking their strategies, created rivalry between the NGOs due to competition for the minimal funding available, the stringent rules by the donors for the limited funding available, changes in the operating environment of the sector due to the government requirements.

1.2 Research Problem

Strategic change management strategies have become critical especially in an environment where accountability and performance measurement has become urgent for nonprofit organizations particularly in Kenya where they encounter increasing competition from a proliferating number of agencies, all competing for scarce donor, foundation, and government funding. Yet the public performance reports and many internal performance measurement systems of these organizations focus only on

financial measures, such as donations, expenditures, and operating expense ratios. Success for nonprofits should be measured by how effectively and efficiently they meet the needs of their constituencies. Financial considerations can play an enabling or constraining role but will rarely be the primary objective (Kaplan, 2001).

Burnes (2009) argues that there are no universal rules with regard to leading change; rather it involves linking action by people at all levels of businesses. This clearly indicates that the strategy process of formulation, implementation and performance are linked. Further to this strategy flexibility is key as it takes into account the peculiarities of an organization in question. In the case of strategic change therefore, the change strategies need to be clearly formulated and implemented if desired performance results should be achieved. There is increasing pressure to perform from the government, public and donors. With this pressure, NGO sector managers must have capacity to adopt and restructure the organization to challenge constraints. However, the question being posed is if the managers have the capacity to handle the organizational changes required and at the same time to ensure the performance of the said organizations are at maintained or improved levels.

Numerous studies have been done in the field of strategic change management with the majority in the corporate organizations and public sector. In her research, Marangu, (2012) focused on employee perception on strategic change management practices and performance at KPLC; Riungu, (2008) strategic change focus was on the banking sector; Kathama , (2012) conducted a research study on performance his basis being strategic planning practices incorporated of the state corporations; Waweru (2010), researched on strategic planning issues and Bwibo, (2000) study

research focused general strategic change practices . The research conducted in the NGO sector have been in responses to changes in the environment, however from the evaluated studies little has been done on the change management practices and performance in the NGO sector.

From the above, it is clear that numerous studies have been done about change management practices but few if at all study on the influence of change management practices on performance especially in the NGO sector in Nairobi. This study therefore seeks to fill the gap in the body of knowledge by determining the change management practices adopted by NGOs in Nairobi and to establish the influence of change management practices to organizational performance.

The study will be guided by the following study question: what is are the strategic change management practices and performance of NGOs in Nairobi, Kenya?

1.3 Objectives

i. To determine the strategic change management practices adopted by the NGO sector in the Nairobi county.

ii. To establish the influence of strategic change management practices on performance of the NGOs in Nairobi

1.4 Value of the Study

The study will help management teams of NGOs to evaluate the effectiveness of their strategies on change management performance and adopt correct change strategies that will achieve the required performance. It will be a source of information for the upcoming NGOs particularly in the area of strategic change management practices

and performance management. The study will provide the academicians with a useful basis upon which further studies on performance of change management programmes in organizations could be conducted and basis for further research and source of literature review for other scholars.

The findings from the study can be used as a basis upon which the donors can have an understanding of the NGO sector in terms of its strategic change practices and performance and be a guide in formulating the policy on their partnerships with the said NGOs. Finally, the findings from the study can be used by the government when formulating policies that will be used to regulate the NGO sector.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the past study on the change management practices and ways of evaluating change management and performance in organizations. The specific areas covered here are theoretical foundations, performance management and approaches to change management.

2.2 Theoretical Foundations of Change Management

Change management theories and practice originate from different, diverse, social science disciplines and traditions. It is not a distinct discipline with rigid and clearly defined boundary (Marcredie, Ankletell & Warwick ,1998). The theory and practice of change management draw on a number of social science disciplines and traditions (Burnes ,2009). Theories of change assist in understanding, describing and developing insights about the change process. The three schools of thought that form the basis on which change management theory stands are the individual, group dynamics and the open systems perspectives.

2.2.1 The Individual Perspective School

The individual perspective group is divided into two factions known as the behaviorist and the gestalt field psychologists. Behaviorists believe that behavior is caused by an individuals' interaction with the environment. The basic principle of this approach, which originates from Pavlov (1927) work, is that human actions are conditioned by

their expected consequences. This means that rewarded behavior is repeated while ignored behavior tends not to be repeated. The gestalt field psychologists believe that behavior is not just caused by external stimuli, but it arises from how an individual uses reason to interpret these stimuli. Behaviorists attempt to effect organizational change by modifying the external stimuli acting upon the individual, whereas gestalt field theorists seek to change individual self-awareness to promote behavioral and thus organizational change (Burnes, 2009).

In his research paper on organizational change and change readiness, Hallgrimsson (2008) argues that organizational change will be hapless endeavor without the participation and commitment of individuals, however the focus on individuals within organizational studies is almost exclusive to psychological or social psychological research. This individual implication therefore makes organizational change intrinsically personal.

2.2.2 The Group Dynamics Group

Group dynamics theory originated from the work of Kurt Lewin and the theorists who conforming to these ideas believe that the focus of change should be at the group level and that its ineffectual to concentrate on individuals to bring about change as they will be pressured by the group to conform. Lewins' rationale was that people in organizations work in groups and therefore individual behavior must be seen, modified or changed in light with the groups' prevailing practices and norms (Burnes, 2009). Burnes acknowledged the work of other researchers like (Cummings and Worley, 2005; French and Bell, 1999, Smith et al, 1982) and their arguments that it was useless to concentrate on changing the behavior of individuals, according to the

Group Dynamics School. The individual in isolation is constrained by group pressures to conform. The focus of change must be at the group level and should concentrate on influencing and changing the group's norms, roles and values (Burnes; P324).

2.2.3 The Open System School

The open systems school of thought sees organizations as composed of a number of inter – connected sub ways. It follows that any change in one part of the sub – system will have an impact on other parts of the system, and in turn, on its overall performance (Burnes 2009). He further adds that the schools' approach to change is based on a method describing and evaluating these sub systems in order to determine how they need to be changed so as to improve the overall functioning of the organization. It follows that an open system approach to management has the objective to structure the functions of the organization in such a way as to define certain lines of coordination and sub-system interdependence. Only if this is successful can the organization's objectives be pursued (Burnes, 2004b, p265).

Hallgrimsson (2008) refers to four principal organizational sub-systems: organizational goal and value sub-system which refers to goals and values can be viewed as an organization's objective and the work culture needed to pursue them; technical sub-system: the specific combination of knowledge; technologies and techniques needed in order for organizations to function and psychological sub-system: the organization's culture and climate, its role relationships, norms, values and whatever else considered essential for creating and withholding a sense of "organizational bond" and managerial sub-system: This is the sub-system that is responsible for directing an organization towards its objectives. This includes a

number of responsibilities such as; determining values, setting goals, developing strategy, designing structure and establishing control processes.

From the three schools of thought the most relevant in the research study is the open systems school as this framework of change analysis rests on the general view of the open system theory which regards organizations as capable of continuously changing their structural form to respond to environments.

2.3 Approaches to Strategic Change Management

There are two dominant approaches to strategic change management: planned approach to change and emergent approach to change. The first one is planned change famously coined by Kurt Lewin to distinguish change that was consciously embarked upon by an organization. This means that the organization identifies an area where it believes change is required and undertakes a process to evaluate and if necessary and if necessary brings about change. (Burnes, 2009: P328). Lewin identified four individual elements – field theory, group dynamics, action research and the three step model. It is an iterative, cyclical process involving diagnosis, action and evaluation and further action and evaluation. It is an approach that recognizes that once change has taken place, is it must be self-sustaining. The original purpose was to focus on improving the effectiveness of human side of the organization .Emphasis is placed on resolving group conflicts and improving group performance by bringing together managers and recipients of change, and the consultant to jointly diagnose the organization's problem and jointly plan and design the specific changes.

The second one is emergent change approach. The proponents of the approach, change is a continuous, dynamic and contested process that emerges in an unpredictable and unplanned fashion (Burnes, 2009).One of the main strands of the emergent approach is provided by the processual analysts derived from the work of Andrew Pettigrew, where process research is conducted in organizations. They view change as a process that unfolds through the interplay of multiple variables within an organization, especially context, consultation and political behavior (Burnes 2011;367 - 368). The emergent features for successful change include: organizational structure, organizational culture, organizational learning, managerial behavior and power and politics. The emergent approach tends to see change as driven from bottom up rather than from the top down; it stresses that change is an open ended and continuous process of adaption to changing conditions and circumstances and sees process of change as a process of learning continuous process of changing conditions and learning and not just a method of changing organization structures (Burnes; 2009:P355)

2.4 Strategic Change Management Models

This section discusses some of the strategic change management models. The models discussed are: Kurt Lewin Three Step Model, Bullock and Batten Model and the Mckinsey 7-S model.

2.4.1 Kurt Lewin Three Step Model

This change management model was created in the 1950s by psychologist Kurt Lewin. Lewin noted that the majority of people tend to prefer and operate within certain zones of safety. He recognized three stages of change: Unfreeze – Most people

make an active effort to resist change. In order to overcome this tendency, a period of thawing or unfreezing must be initiated through motivation. Transition – Once change is initiated, the company moves into a transition period, which may last for some time. Adequate leadership and reassurance is necessary for the process to be successful. Refreeze – After change has been accepted and successfully implemented, the company becomes stable again, and staff refreezes as they operate under the new guidelines.

While this change management model remains widely used today, it is takes time to implement. Of course, since it is easy to use, most companies tend to prefer this model to enact major changes.

2.4.2 Bullock and Batten Model

Developed in 1985, the model is an integrated four phase model of planned change. The focus of the model is at individual and group level. The phases include: exploration, planning, action and integration phases. This model is viewed to have broad applicability to most change situations (Burnes, 2011). His research indicates that the model incorporates key aspects of many other change models and especially, it overcomes any confusion between the processes of change and the phases of change. The focus of the model is change at individual and group level.

2.4.3 Mckinsey 7- S Model

The McKinsey 7-S model offers a holistic approach to organization. This model, created by Robert Waterman, Tom Peters, Richard Pascale, and Anthony Athos during a meeting in 1978, has 7 factors that operate as collective agent of change:

Shared values, Strategy, Structure, Systems, Style, Staff and Skills. The top three , strategy , structure and systems, are the hard elements. The bottom four, skills, staff, style, and shared values are the soft elements. The key point is that all the elements are all inter-dependent.

Changes in one will have repercussions on the others. Thus introduction of new systems will certainly affect skills, and may well effect structure, style and staff. It could even have an impact on strategy. Similar repercussions occur with decentralization. If you just try to change one element on its own, the other element may well resist the change and try to maintain the status quo. In this sense, any change in organization is best seen as a shift in the whole picture. The model can be used for the following: organizational alignment or performance improvement; understanding the core and most influential factors in an organization's strategy; determining how best to realign an organization to a new strategy or other organization design and examining the current workings and relations an organization exhibits. (Whittblog, 2011)

2.5 Performance Management

Performance management helps guide organizations towards achieving their vision, mission, and goals and therefore is a key factor for their survival and success (Chenhall, 2005; Ferreira & Otley, 2009; Otley, 1999). According to Kaplan (2001), the subject performance measurement has become urgent for non-governmental organizations as they encounter increasing competition from a proliferating number of agencies, all competing for scarce donor, foundation, and government funding. The public performance reports and many internal performance measurement systems of

these organizations focus only on financial measures, such as donations, expenditures, and operating expense ratios. He further argues that success for nonprofits should be measured by how effectively and efficiently they meet the needs of their constituencies.

Financial considerations can play an enabling or constraining role but will rarely be the primary objective. At the more micro, programmatic level, organizations may have myriad measures to track and control local initiatives. These measures, however, do not relate to overall organizational mission and objectives. The increasing competitive environment of the 1980s which continued through the recessionary early 1990s and remains a dominant factor today has been identified as a major influence leading to increased concern for performance improvement (Williams, 2002). In his research, Mibei (2011) argues that the measurement of firm performance has been a controversial issue that has generated debate amongst many authors like Chakravarthy, (1986), Venkatraman & Ramanujam, (1986). He observes that the major problem has been the choice of appropriate yardstick to use in determining firm performance as different disciplines such as accounting, psychology, sociology and operations management have proposed various measures.

The goal of business organizations is to succeed in their chosen fields and organizational performance management and control is being viewed as a key organizational activity. Today most of the NGOs have adopted aspects of performance management systems in order to manage their diverse projects aimed at achieving their vague missions and deliver services to beneficiaries while at the same time satisfying multiple stakeholders. The successes of majority of the NGOs in

Kenya are measured on clear performance dimensions such as economy, effectiveness and efficiency borrowed from the private sector.

Sheehan, (1996) studied philanthropic organizations and concluded that although most had clear statements of mission, very few had developed performance measurement systems that revealed whether the organization had an impact on its mission. In effect, the organizations had no way to distinguish whether their strategy was succeeding or failing. In their case study, Yap & Ferreira, (November, 2010) articulate their arguments that the NFP sector presents a challenge to performance measurement due to the difficulties that are encountered in determining their benefits, costs and performance.

The success of for-profit organizations is generally measured by financial performance measures which are typically a function of profitability. In contrast, for NFP organizations, success is normally understood as how much and how well their services are provided which is far more difficult and ambiguous than measuring profit. Use of financial tools like ratios, EPS, ROCE, ROSC and others are deemed not to provide the effectiveness or efficiency of the outcomes of the NFP organizations' programs and as such not aligned with the organizations' strategy (Sawhill & Williamson, 2001). Sawhill and Williamson (2001), concluded that issues as indicated are addressed with the use of an impact activity capacity approach. Under this approach, impact performance measures are used to assess mission success, activity performance measures focused on achieving goals and implementing strategies, and capacity performance measures gauge the degree to which the organization mobilized the resources necessary to fulfill its mission.

Sawhill and Williamson (2001) also reiterate the importance of having a clear vision, mission and goals and note that it would be an error of judgment to imagine that a NFP organization can develop effective performance measures in the absence of strategic alignment. This view highlights the importance of strategically aligning the organizations', mission with the PMSs. Although the Balanced Scorecard has become very popular, there is no single version of the model that has been universally accepted. The diversity and unique requirements of different enterprises suggest that no one - size - fits - all approach will ever do the job.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the method employed to collect data, analyze data and present the data. The specific areas of coverage include; research design, population, sample design, data collection, data analysis and presentation.

3.2 Research Design

This research study used cross sectional survey design in collecting primary data. This formed a class of research methods that involved observation of all of a population, or a representative subset, at one specific point in time with an aim to provide data on the entire population under study.

3.3 Population of Study

The study targeted the non-governmental organizations operating in Nairobi County as at 2009 and confirmed from the NGO coordination survey of 2009. Reference was made to the NGO coordination Board of 2009 that confirmed 708 NGOs in Nairobi The targeted population included the non-governmental organizations in all the sectors of operations totaling to 71 in number as listed in appendix. The basis for the targeted population was with reference to Mugenda and Mugenda (1999) on the sample of 10% - 30% of the total population.

3.4 Sample Design

The simple random sampling technique was used to carry out the research study. These organizations were randomly selected for the purpose of study. From the population of 708 NGOs, 10% which is equivalent to 71 targeted respondents were used as the sample.

3.5 Data Collection

Primary data was collected using structured questionnaires issued to the respondents. The method was chosen as it is a positivist research method. It includes the low level of involvement of the researcher and high number of respondents. Secondary data sources were employed through the use of previous documents or materials to supplement the data received from questionnaires. The targeted population included all the NGOs in Nairobi.

3.6 Data Analysis

The research study generated quantitative data. Statistical tools used included Microsoft excel and statistical packages on social sciences (SPSS). With the SPSS software, the data collected was analyzed using descriptive statistics function where the variables were further analysed to determine their frequencies, percentages and mean scores under the corresponding objectives. Microsoft Excel was used to present the data in tables.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine the strategic change management practices and performance of NGOs in Nairobi county This chapter presents the analysis and findings with regard to the objective and discussion of the same. The target population in this study were NGOs where the respondents targeted were senior level managers, middle level managers and supervisors in organizations. A sample of 71 NGOs was targeted, however only 47 out of the 71 responded representing 66% and this formed the basis of the findings presented in this report. The findings are presented in narratives, charts and tables.

4.2 Strategic Change Management Practices

The respondents were asked to indicate how their organizations reacted to business environment.

Table 4.1: How the NGOs in Nairobi County React to Business Environment

Reaction	Frequency	Percent
Proactively	18	38.3
Reactively	13	27.7
In – Between	16	34
Total	**47**	**100**

As shown in Table 4.1, 38.3% of the respondents felt that the organizations reacted proactively to the operating business environment, 27.7% felt that the response was

reactive and 34 % felt that the organization reaction was in – between the proactive and reactive reactions.

The respondents were also required to indicate the forces that necessitated changes in their organizations.

Table 4.2: Forces of Change

Forces of Change	**Frequency**	**Percent**
Entrance of competing organisations	6	12.8
Change in stakeholder needs and preference	22	46.8
Government requirements	3	6.4
Globalization	16	34
Total	**47**	**100**

As shown in Table 4.2, 46.8 % of the respondents believe that change in stakeholder needs and preference was the major reason why NGOs necessitated change, 34% believed that globalization was the reason that led to change, 12.8% believed in entrance of competing organizations and 6.4% believed that government requirements led to it.

The respondents were also required to indicate the initiators of strategic change management in their organizations. The results are shown in Table 4.3.

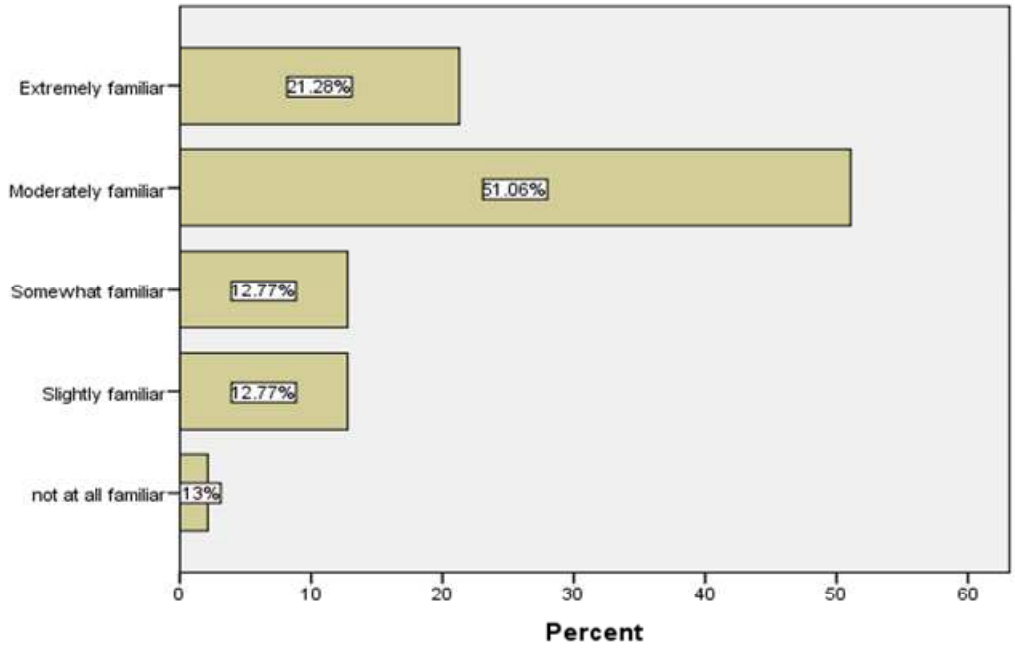
Table 4.3: Initiators of Strategic Change Management

Initiators of Strategic Change	Frequency	Percent
Board of Directors	28	59.6
CEO/COO	6	12.8
Senior Management	12	25.5
Others	1	2.1
Total	**47**	**100**

As shown in Table 4.3, majority of the respondents 59.6%, felt Board of Directors' in their organizations were the most vocal in the strategic change management effort followed by the Senior Management at 25.5% and CEO/COO at 12.8%. 2.1% of the respondents also felt that there were other stakeholders involved such as the HQ offices and Organisational councils.

The respondents were also required to indicate their awareness and familiarity of SCM practices adopted in their organizations. The results are shown in Figure 4.1.

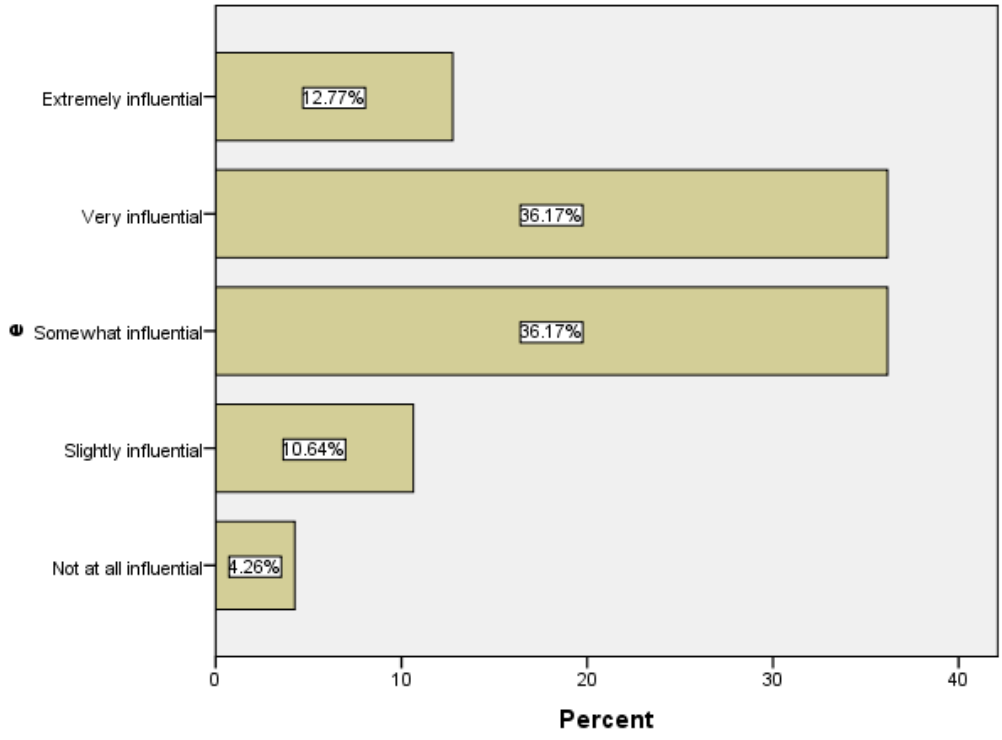
Figure 4.1: Respondents Awareness and Familiar with the SCM Practices Adopted



As shown in Figure 4.1, 51.06% of the respondents were moderately familiar, 21.28% were extremely familiar, 12.77% were slightly and somewhat familiar respectively and 2.1% were not at all familiar. The respondents are therefore aware of the strategic management practices adopted.

The respondents were required to provide their perception on the influence of overall strategy on change management. The results are shown in Figure 4.2.

Figure 4.2: Influence of Strategy on Strategic Change Management Plan



As shown in Figure 4.2, 36.2% of the respondents were of the opinion that that they were somewhat and very influential respectively, 12.77% thought that it was extremely influential, 10.64% thought that the strategic management practices adopted in their organizations were slightly influential. 4.26% of the respondents thought that it was not at all influential.

The respondents were required to provide their perception on the affected strategic change management processes in their organization. The results are shown in Table 4.4.

Table 4.4: Perception of The Respondents on the Affected Strategic Change Management Process

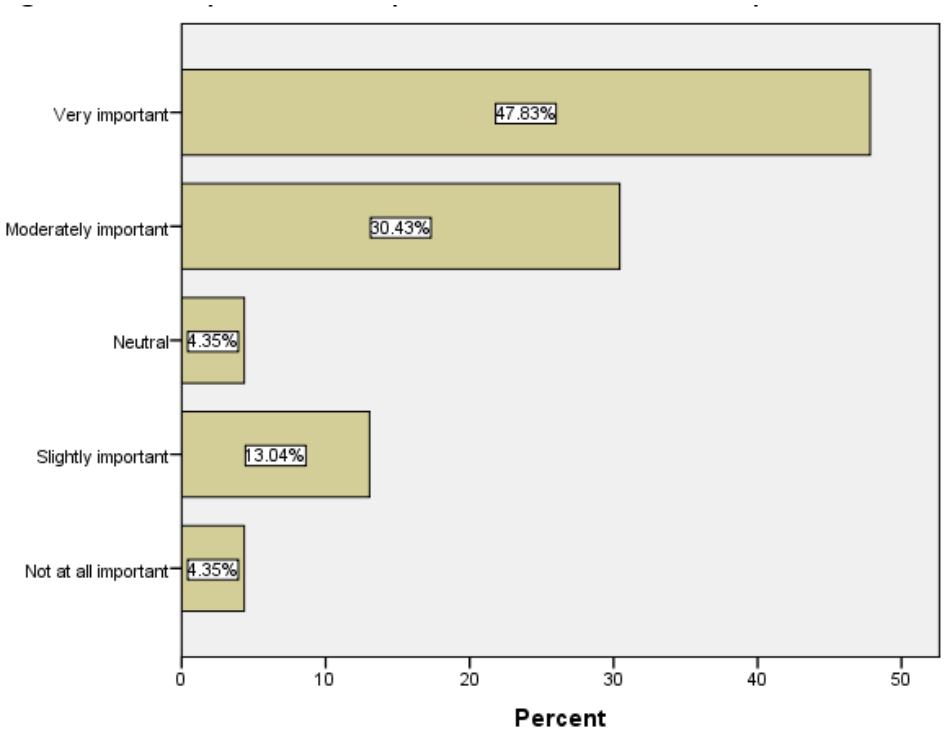
Affected Elements	Mean	Std. Deviation
Structure	2.13	1.24
Systems	2.64	1.26
Behaviour	3.30	1.21
Processes	2.83	1.00
Services	3.25	1.45

As shown in Table 4.4, show the impact of the strategic change management process has the most effect on structure, followed by systems, processes with a mean of 2.13, 2.64 and 2.83 respectively. Services and behavior were affected the least with a mean of 3.25 and 3.30 respectively.

4.3 Performance Management

The respondents were required to indicate their perception on the importance of the performance management system in their organization. The results are shown in Figure 4.3.

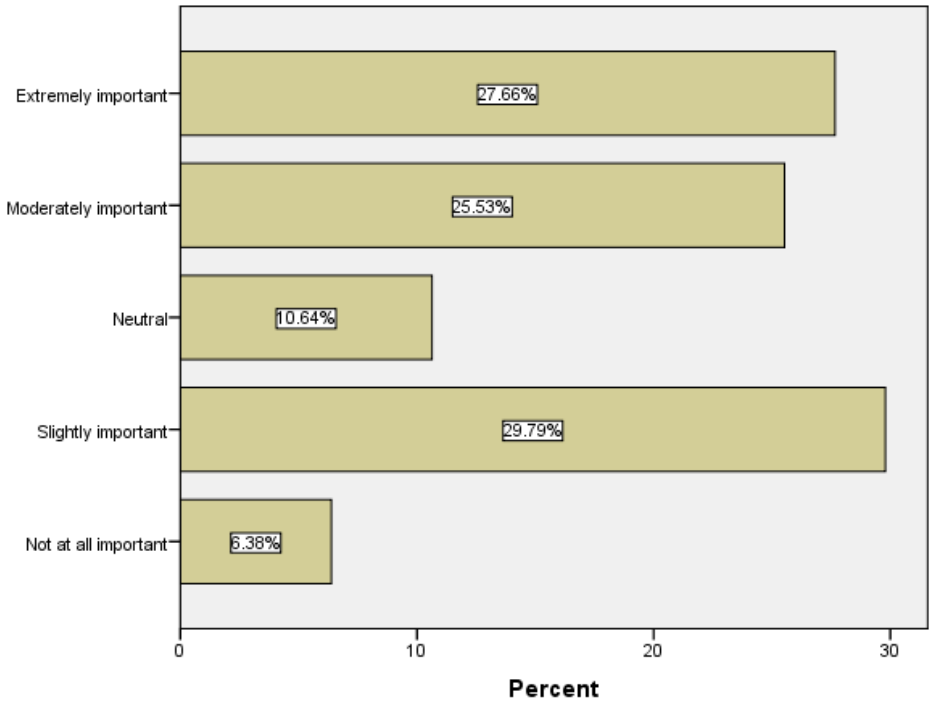
Figure 4.3: Perception on the Importance of the PMS as an Important Tool



As shown in Figure 4.3, 47.83 % of the respondents believed that the PMS was very important, 30.43% moderately important, 13.04 % and 4.35% slightly important and not all important. 4.35% were neutral on the subject matter.

The respondents were required to indicate their perception on the reward system in relation to the PMS in their organization. The results are shown in Figure 4.4.

Figure 4.4: Importance of the Reward System in Relation to the PMS



As shown in the Figure 4.4, 29.79% thought it was slightly important, 27.66% and 25.33% thought it was extremely and moderately important, 6.38% thought it was slightly important and 10.64 % of the respondents were neutral on the importance.

The respondents were required to indicate their perception on the success on strategy on the measures of performance in their organization. The results are shown in Table 4.5.

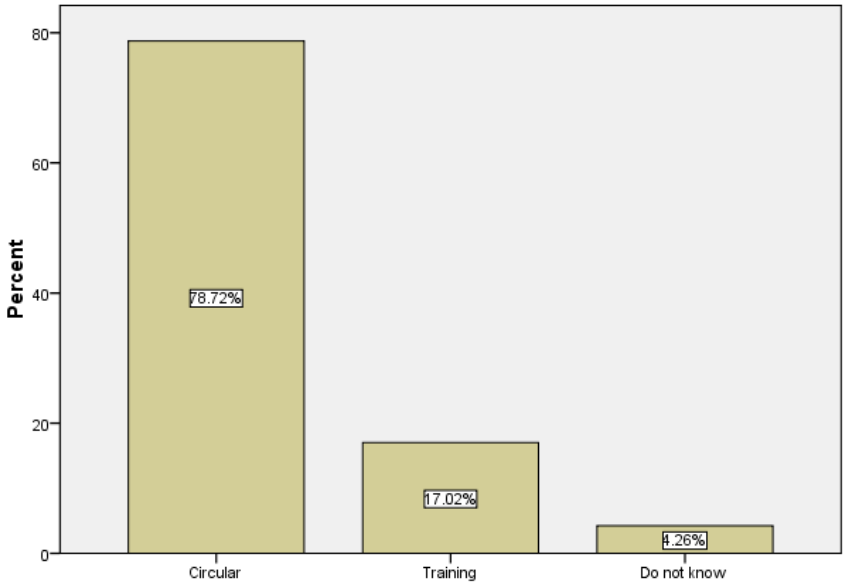
Table 4.5: Perception of the Success on Strategy on the Measures of Performance

Measure of Performance	Mean
Donor Funding	3.80
Quality of Service	3.72
Organisation Growth	3.52
Organisation Reputation	3.91

As shown in Table 4.5, the respondents attributed the success of the Strategic Change management strategies to the organizational reputation with a mean of 3.91, followed by the donor funding available with a mean of 3.80, the quality of service with a mean of 3.72 and finally the organizational growth with a mean of 3.52.

The respondents were required to indicate how the communication on the PMS to staff was done in their organization. The results are shown in Figure 4.5.

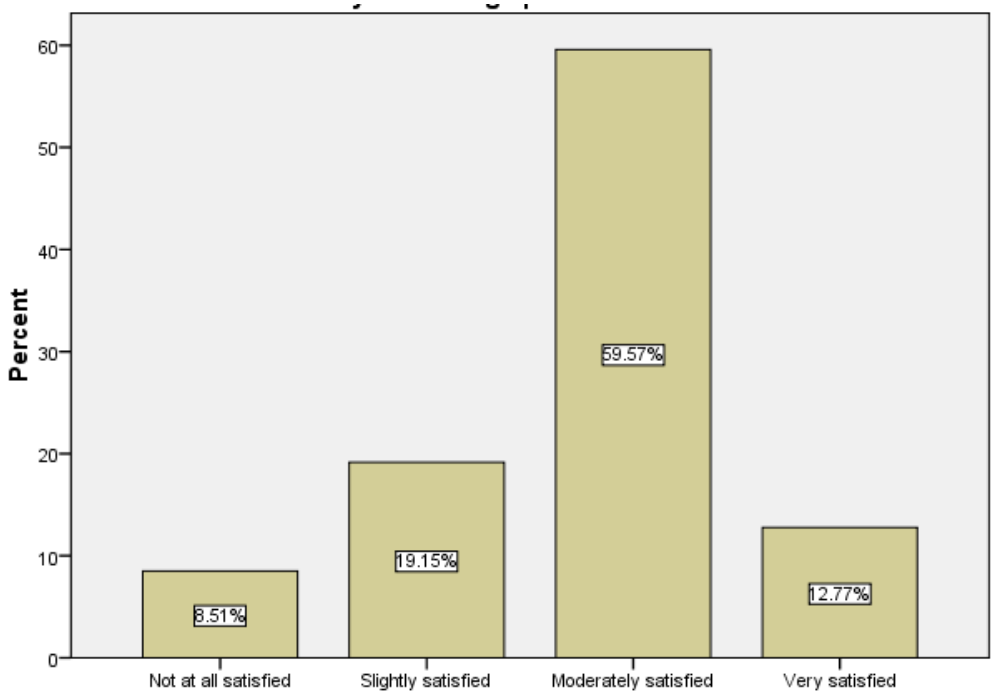
Figure 4.5: Communication of the PMS to the Staff



According to the Figure 4.5, the performance management system was communicated to staff mainly through circulars (78.72%), trainings (17.02%) and (4.62%) did not know.

The respondents were required to rate the rewards to the employees who meet the targets set by the change practices in their organization. The results are shown in Figure 4.6.

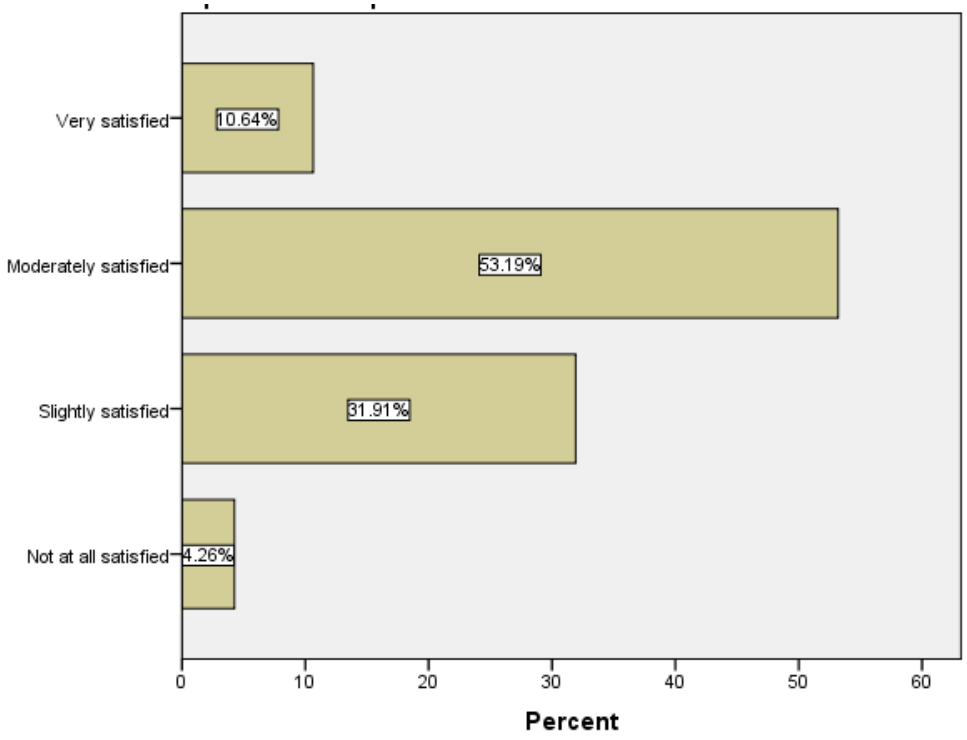
Figure 4.6: Rating on the Rewards to the Employees who Meet the Targets Set by the Change Practices



As shown in Figure 4.6, the rating on the rewards to the employees who meet targets set by the change practices, 59.57% were moderately satisfied, 12.77% were very satisfied, 19.15% were slightly satisfied while 8.51% were not satisfied at all.

The respondents were required indicate their satisfaction levels on the resources used in change processes in their organization. The results are shown in Figure 4.7.

Figure 4.7: Satisfied With Level of Resource Used To Implement the Change Process and Performance Enhancement



As shown in Figure 4.7 above indicate that 53.19% of the respondents were moderately satisfied, 10.64% were very satisfied, 31.91% were slightly satisfied. 4.26% were found not to be satisfied at all.

The respondents were required indicate the impact of the strategic changes on the performance indicators in their organization. The results are shown in Table 4.6.

Table 4.6: Impact of the Strategic Changes on the Performance Indicators

Performance Indicator	Mean
Stakeholder Satisfaction	3.76
Employee Welfare	2.65
Donor Funding	3.35

As shown in Table 4.6, the impact of the strategic changes on the performance indicators where a rating of 1 was the least positive and 5, the most positive, the findings indicated that, stakeholder satisfaction was the most positively impacted factor with the mean of 3.76 followed by donor funding at 3.35 while employee welfare are ranked as the least positively impacted with mean values of 2.65.

The respondents were required indicate the benefits realized by employees from the change management practices in their organization. The results are shown in Table 4.7.

Table 4.7: Benefits Realized by Employees from the Strategic Change Management Practices

Benefits Realized to Employees	Mean
Remuneration	3.23
Staff Morale	3.48
Allowances	3.43
Training	2.66

As shown in Table 4.7, the most visible benefit that the employees benefitted from the strategic change practice was in training with a mean of 2.66, followed by

remuneration, allowances and finally staff morale with means of 3.23, 3.43 and 3.48 respectively.

4.4 Results and Discussions

The findings of these study shows that the respondents perceived that overall organizational strategy was very influential on the strategic change management plan. This further reinforces the findings by researchers such as Abdel – Kader. & Wadongo (2011), Sawhill, and Williamson (2001), Yap & Ferreira(2010) recognition the importance of overall strategy being used as reference to other sub strategies such as change management and performance strategies in organisations. These organisations seem to adhere to the open system school of thought as their change processes affect the various sub systems like structure, systems and processes and more so a lean towards the use of the Mckinsey 7 model of change management.

The Board of Directors was identified as the main initiators of strategic change management. This indicates that the other staff members may not really have a say in the change process yet the strategic change management process puts a high value on the input of the staff Although the PMS was perceived to be an important tool, a majority of the respondents perceived the reward system in relation to the PMS to be slightly important. This is in line with Kaplan (2001) arguments and findings that many people who become employees of these organizations voluntarily accept below-market compensation because they believe in the mission of the organization, thus explaining their perception of slight importance on the rewards and training as the highest ranked benefit realized by the staff from the strategic change management practices. In their research paper whose context was the Kenyan NGO sector, Abdel –

Kader. & Wadongo, (August 15, 2011), findings showed that rewards and penalties are part of performance measurement practices seemed similar across the NGOs and that most of the rewards would be non-financial based.

The success of the strategy on the measures of performance was attributed to the organization reputation and donor funding. This means that the management effort on the strategic change management process and performance strategies of these NGOs performance was also pegged to their reputation and the amount of donor funding available. This is in line with Greiling (2011) finding that, the higher the amount of income a nonprofit organisation generates form funders the higher the compliance with external pressures from funders will be.

CHAPTER FIVE

SUMMARY , CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the research based on the research objectives and the research questions. It also gives the conclusions derived from the findings. Finally, this chapter highlights the recommendations that the researcher provides to the management of Non-Governmental Organisations in Nairobi County and their stakeholders.

5.2 Summary

The main objective of this study was to determine the strategic change management practices and performance in Nairobi, Kenya. The study showed that the strategic change management practices in the NGOs in Nairobi County were necessitated by change in stakeholder needs and preference. Most of the NGOs were found to proactively react to the business environment. According to the study the strategic change management process has mostly affected the organisations' structure, systems and processes with employee behavior being the least affected by the process. It was also noted that the employee welfare was not taken keenly in the strategic change process.

The study also identified that the Board of Directors and Senior Management were the initiators of the strategic change management effort. It was noted that a significant number of the respondents consider the PMS an important toll as well as the reward system in relation to the PMS. The success of the strategies employed were mainly attributed to the organisations' reputation and availability of the donor funding

available. The benefits most realized by employees in these organizations is training followed by the remuneration, allowances and finally staff morale.

5.3 Conclusion

The findings show that the respondents felt that the strategic change management practices are necessitated mainly by the change in stakeholder needs and preference as well as globalization. The process of strategic change in these organisations were mainly initiated by the Board of Directors, Senior Management and the CEO. This led to a key weakness being seen in the lack of employee inclusiveness in the contributions to the strategic change management process even though The respondents are aware of the importance of PMS and majority felt that the reward system in relation to the PMS was important.

The findings indicated that the features under study that were most affected by the strategic change process included organization structure, systems and processes. Employee behavior and services were least affected by the change process. The study also revealed that the changes instituted led to positive impact on stakeholder satisfaction and donor funding from new business while least impact was on the employee welfare. This survey also revealed that the rate of visible benefits gained from the strategic change management practices as felt by the employees in this sector. Training was perceived to be the most realized benefit, followed by remuneration, allowances and finally staff morale.

5.4 Limitations

Challenges faced while conducting the study include the fact that some of the respondents feared the exposure of the sensitive information and victimization. To overcome this limitation was the assurance to the respondents on the confidentiality of the information that was given them with the emphasis that the study was an academic project. Secondly, secondary data on this sector was not readily available for use and this led to reliance on few sources.

5.5 Recommendations

5.5.1 Recommendations with Policy Implications

The study found out that the NGOs in Nairobi County, Kenya had strategic change management practices and performance management systems which were considered as very important and had already led to positive impact on the organizations in the sector. However, in terms of employee welfare and staff morale, it is recommended that more need to be done for these organisations to fully achieve their objectives as the said majority of the employees in these organizations are satisfied with the rewards and resources already in the PMS.

5.5.2 Recommendations for Further Research

The study found out that the strategic change management practices have a positive effect on the performance of Non governmental organizations in Nairobi, however, the study recommends further research on the strategic change management practices on performance in the NGO sector particularly on the performance systems to determine if they are used as management tools of control or responses to strategies.

REFERENCES

Abdel – Kader, M.G. & Wadongo, B. (2011), *Performance Management in* NGOs: Evidence from Kenya Retrieved from http://papers.ssrn.com/sol3/papers.cfm

Burnes, B. (2009), *Managing Change: A strategic Approach to Organizational Dynamics,* (5th Ed), FT Prentice Hall.

Cartin, T. J. (1999), *Principles and Practices of Organizational Performance Excellence.* Quality press Milwaukee, Wisconsin

Cole, G.A. (1997), *Strategic Management: Theory and Practice,* (2nd Ed), Cengage Learning.

Cummings, T.G. & Worli, C.G. (2009), *Theory of Organization Development and Change,* (9th Ed), Cengage Learning.

Greiling, D. (2011), *Performance Measurement Systems in Non-profit Organisations as Management Tool or an Option for Strategic Responses?* Paper presented 13th Biennial CIGAR Conference retrieved http://www.feb.ugent.be/...Cigar2011.

Hallgrimsson, T. (2008), *Organisational Change and Readiness: Employees Attitudes during Times of Proposed Merger*. Unpublished independent dissertation, Universite et I Tromso, Norwey retrieved from www.munin.uit.no

Johnson, G., Whittington, R. and Scholes, K. (2011), *Exploring Strategy: Text & Cases,* (9 Ed), FT Prentice Hall CMM 101E Bernard.

Johnson, G. and Scholes, K. (1999), *Exploring Corporate Strategy: Text & Cases,* (5th Ed), FT Prentice Hall.

Kaplan, R. S. (2001), "Strategic Performance Measurement and Management in Nonprofit Organizations." *Nonprofit Management & Leadership* 11, no. 3 (spring 2001): 353–370.

Kezar, A.J.(2001), *Understanding and Facilitating Organizational Change in the 21st Century : Recent Research and Conceptualizations* ASHE-ERIC Higher Education Report, Volume 28, Number 4 Jossey- Bass Higher and Adult education Series.

Kotter , J. P. (1996), *Leading Change.* Harvard Business Review Press

Larsson, J., & Kinnunen, J. (2008), *Performance Measurement in Non-Profits Much to be Gained or a Waste of Resources.* Unpublished Bachelors Dissertation, University of Sweden retrieved from http://www.essays.se

Marangu, J.M. (2012), *Employee Perception on Strategic Change Management Practices and Performance at Kenya Power & Lighting Company Limited.* Unpublished Masters Dissertation, University of Nairobi, Nairobi, Kenya.

McCarthy, C., & Eastman, D. (2010), *Change Management Strategies for an Effective EMR Implementation* HIMSS Mission

Mibei, W. (2011), *Strategic Planning and performance*. Unpublished independent dissertation, University of Nairobi, Nairobi, Kenya

Mugenda, O. M., and Mugenda A.G. (1999), *Research Methods: Quantitative and Qualitative Approaches*. African Centre of Technology Studies, Nairobi.

Non-Governmental Coordination Board (2009), *Report on the National Validation Survey of NGOs* (NGO Coordination Board Report). Retrieved from the NGO Bureau Database.

Non-Governmental Organisations Co - ordination Act (1990).

NGO Handbook. Retrieved from http:// www.ngohandbook.org.

Ochido, H.O. (April 6, 2013), *New NGO Act Balances Enablement and Regulations.* Retrieved April 10, 2013, from http://www.nation.co.ke/oped/Opinion/New-NGO-Act-balances-enablement-and-regulation/-/440808/1741134/-/45hirsz/-/index.html.

Oketch, N.A. (2011), *Corporate Governance Structures and the Performance of HIV/AIDS Non-Governmental Organisations in Nairobi.* Unpublished Masters Dissertation, University of Nairobi, Nairobi, Kenya.

Oranga, E.J. (2009), *Employee Perception on Strategic Change Management Practices and Performance at Kenya Power & Lighting Company Limited.* Unpublished Masters Dissertation, University of Nairobi, Nairobi, Kenya.

Pearce, A. J., Robinson, B.R. and Mital, A. (2007), *Strategic Management: Formulation, Implementation and Control,* (10th Ed) Irwin McGraw-Hill.

Riungu, C. (2008). *A Case Study of Strategic Management Practices and Performance at the Co-operative Bank of Kenya limited.* Unpublished Masters Dissertation, University of Nairobi, Nairobi, Kenya.

Sawhill, J. C., and Williamson, D. (2001), *Mission Impossible?: Measuring Success in Nonprofit Organizations*. Nonprofit Management and Leadership, 11: 371–386. doi: 10.1002/nml.11309.

Sheehan, R.M. (2005, November). *What Is Non Profit Strategy*. Paper presented at the 34th Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action Abstract retrieved from http://*www.nationalcne.org/index.cfm.*

Thomson, A.A., Strickland III, J.A. and Gamble , E. J. (2008), *Crafting and Executing Strategy: The Quest for Competitive Advantage Concepts and Cases*, (16 Ed.) McGraw-Hill Irwin.

Williams, R.S. (2002). *Managing Employee Performance: Design and Implementation in Organisations.* South Western Cengage Learning

Yap, P. & Ferreira, A. (November, 2010), *The Complex and Multifaceted World of Performance Management in NGOs: A Case Study*. Unpublished Dissertation, Monash University, Australia.

APPENDICES

Appendix I: Questionnaire

I am carrying out an academic research project titled: *Influence of change management practice on performance of NGOs in Nairobi, kenya* I am selecting respondents randomly and I would appreciate if you would respond to the following questions. Your response will be treated confidentially and used for academic purposes only.

A. GENERAL INFORMATION

1. Please state your gender (Tick where appropriate)

   Male ( ) Female ( )

2. What is your age? (Tick where appropriate)
   ( ) up to 25 years
   ( ) 26 to 35 years
   ( ) 36 to 45 years
   ( ) Above 46 years

3. What is your Position in the organization?
   ( ) Project Manager
   ( ) Finance Manager
   ( ) Administration Manager
   ( ) Human Resource Manager
   ( ) Internal Audit Manager
   ( ) Other (Specify)……..

4. How many years have you worked with the current organization?
   ( ) Less than one year
   ( ) Between 1 year and 5 years
   ( ) 6 to 10 years
   ( ) More than 10 years

5. Education level (Tick where appropriate)
   ( ) Diploma
   ( ) Bachelor degree
   ( ) Post graduate degree
   ( ) Doctorate
   ( ) Others (Specify)…….

6. How many years has the organization been in operation?
   ( ) Less than one year
   ( ) Between 1 year and 5 years
   ( ) 6 to 10 years
   ( ) More than 10 years

B. CHANGE MANAGEMENT

7. How does your organisation react to changes in the organisations' business environment? (Please Tick the most appropriate)
   1 - Proactively
   2 - Reactively
   3 - In – Between
   4 - Others (Please specify)……...

8. What forces have necessitated change in your organisation?
   1 - Entrance of competing organisations…….……..
   2 - Change in stakeholder needs and preference……...……
   3 - Government requirements……...….
   4 - Globalization……
   5 - Other (Please specify)……..….

9. Do you think the change management plan in the organization is influenced by the overall strategy plan in place? (Please Tick the most appropriate
   1 - Not at all influential
   2 – Slightly influential
   3 – Somewhat influential
   4 – Very influential
   5 – Extremely influential

10. Who initiates the change management effort in your organisation? (Tick more than one if possible)

    1 - Board of Directors…….

    2 - CEO/COO ……

    3 - Senior Management ……..

    4 - Others (Please specify) …….

11. Are you aware and familiar with the strategic change management practices adopted in your organization? (Please Tick the most appropriate)

    1 – Not at all familiar

    2 – Slightly familiar

    3 – Somewhat familiar

    4 – Moderately familiar

    5 – Extremely familiar

12. What has the change management process affected? (1 – most affected to 5 least affected)

	1	2	3	4	5
Structure					
Systems					
Behaviour					
Processes					
Services					

C. PERFORMANCE

13. Do you consider the performance management system in your organization an important tool?

    1 - Not at all important

    2 – Slightly important

    3 – Neutral

    4 – Moderately important

    5 – Very important

14. Please indicate the importance of the reward system in relation to the performance management system?

    1 – Not at all important

    2 – Slightly important

    3 – Neutral

    4 – Moderately important

    5 – Extremely important

15. To what extent do you attribute the success of the strategy on the following measures of performance

    (For each strategy tick only one box where 1 = Very small extent, 2 = Small extent, 3 = Moderate extent, 4 = Large extent, 5 = Very large extent)

Measure	**1**	**2**	**3**	**4**	**5**
Donor funding					
Quality of services					
Organisation growth					
Organisational reputation					

16. How was the performance development system communicated to the staff.(Tick where appropriate)

	Please tick
Circular	
Training	
Seminars	
Do not know	

17. How do you rate the rewards to the employees who meet the targets set by the change practices? Please indicate

    1 – Not at all satisfied

    2 – Slightly satisfied

    3 – Moderately satisfied

    4 – Very satisfied

    5 – Extremely satisfied

18. Are you satisfied with level of resources used to implement the change process and performance enhancement? (Please indicate below)

    1 – Not at all satisfied

    2 – Slightly satisfied

    3 – Moderately satisfied

    4 – Very satisfied

    5 – Extremely satisfied

19. How positively have the changes impacted on the following performance indicators of the organisation (where 1 is least positive and 5 is most positive)

    Stakeholders' satisfaction……..….

    Employee welfare ……..…

    Donor funding from new business……..……

20. Rate the visible benefits employees realized from the change management practices? (1 – most benefit to 5 least benefit)

	1	2	3	4	5
Remuneration					
Staff morale					
Allowances					
Training					

Thank you

Appendix II: Targeted Respondent Organisations

List of the study respondents

1	AFRICA NETWORK FOR ANIMAL WELFARE
2	AMREF
3	BOX GIRLS INTERNATIONAL
4	CARE INTERNATIONAL
5	CAFOD
6	COMPASSION INTERNATIONAL INC.
7	CONCERN WORLDWIDE
8	DIAKONIE EMERGENCY AID
9	ELIZABETH GLASER PAEDIATRIC FOUNDATION - EGPAF
10	HELPAGE INTERNATIONAL
11	FAMILY HEALTH INTERNATIONAL
12	FARM AFRICA
13	GOAL IRELAND
14	HEAVENLY TREASURES KENYA
15	HELPAGE INTERNATIONAL
16	HIVOS
17	CARE INTERNATIONAL
18	ICAP
19	ICRAF
20	IFAD
21	INTERNATIONAL MEDICAL CORPS
22	INTERNATIONAL ISLAMIC RELIEF ORGANISATION
23	INTERVIDA – KENYA
24	INTRAHEALTH INTERNATIONAL
25	ILRI
26	I - TECH KENYA
27	MARIE STOPES INTERNATIONAL
28	MERLIN
29	MERCY CORPS
30	MISSIONARIES OF THE POOR

Appendix 2: Targeted respondent organisations

List of the study respondents

31	NORWEGIAN CHURCH AID
32	NORWEGIAN REFUGEE COUNCIL
33	OXFAM GB
34	PACE INTERNATIONAL
35	PATHFINDER INTERNATIONAL
36	RELIEF INTERNATIONAL
37	THE REGIONAL AIDS TRAINING NETWORK (RATN)
38	VSF - DZG BELGIUM
39	WORLD HOPE INTERNATIONAL KENYA
40	WORLD VISION INTERNATIONAL
41	SAMARITAN'S PURSE INTERNATIONAL RELIEF
42	SAVE THE CHILDREN
43	TROCAIRE
44	RETRAK INTERNATIONAL
45	USAID
46	UNHCR
47	WORLD RELIEF