AN INVESTIGATION OF THE ROLE OF MIDDLE LEVEL MANAGEMENT IN THE IMPLEMENTATION OF STRATEGIC CHANGE IN DEVELOPMENT FINANCE INSTITUTIONS IN KENYA

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DECLARATION:

This research project is my original work and has not been presented to any other examination body. No part of this research project should be reproduced without my consent or that of The University of Nairobi.

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DEDICATION

I dedicate this research study to my two lovely daughters, Sheila and Sasha. I am humbled to be considered their father in this world.

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I wish to acknowledge and appreciate all my lecturers at the school of business, University of Nairobi and especially my supervisor, Dr. Mary Kinoti, for her effective and very crucial guidance throughout the preparation of this research project. Without the professional guidance and encouragement from my supervisor, Dr Mary Kinoti, this research study would not have been possible. I can only pray that the almighty God will see her selfless service to this nation and bless her abundantly.

I wish to acknowledge my classmates and friends especially Emmanuel, Geoffrey and Oyombe. I appreciate their encouragement, guidance and prayers throughout the writing of this research project.

ABSTRACT

The study aimed at investigating the role of middle level management in the implementation of strategic change in development finance institutions in Kenya. The study focused on staff drawn from each of the five DFIs in Kenya. The research adopted the objective of investigating the role of middle level management in the implementation of strategic change in DFIs in Kenya. The study could benefit Kenyan DFIs, the government, private sector organizations and other researchers given that it provides them with a good model for implementation of strategic change.

The researcher adopted a descriptive research design since the independent variables under investigation could not be quantified but could only be described. The data collected was thoroughly checked for consistency, completeness and comprehensibility. Statistical package for social sciences (SPSS) was used to analyse the quantitative data that was collected. Descriptive statistics which consisted of percentages, mean scores and standard deviation were used to analyse the quantitative data. The data was tabulated, summarized and presented using frequency tables. Content analysis was used to analyse qualitative data on the respondent's views on the role of middle level managers in the implementation of strategic change.

The study found that middle level management play the role of communicators, interpreters change agents, sense makers, advisors, implementers, bridge and leaders in the implementation of strategic change in DFIs in Kenya. However the study found that middle level managers may not require playing the role of politicians during implementation of strategic change. A recommendation for policy and theory is that organizations should incorporate and/or consult middle level managers during the formulation; design and implementation of strategic change to enable them play these roles effectively. Lack of middle level management support scuttles implementation of strategic change.

The researcher encountered several limitations which included the fact that the findings accuracy was limited to the extent to which respondents were honest and objective in answering the questions. The study was also limited only to the five development finance institutions in Kenya

and may not truly represent the roles of middle level managers in companies in other sectors of the economy. As for recommendations for further research the researcher recommends a replicate research be carried out to investigate the role of middle level management in implementation of strategic change in other institutions in other sectors of the economy. This is because development finance institutions in Kenya are primarily government controlled and owned and has cultures that are limited or unique to government institutions. The researcher also recommends that new research be carried out to find out the relevance of middle level managers in achievement of long term organizational sustainability in Kenya.

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LIST OF ABBREVIATIONS AND ACRONYMS

DFI	Development Finance Institutions
ICDC	Industrial and Commercial Development Corporation
KIE	Kenya Industrial Estates
IDB	Industrial Development Bank
KTDC	Kenya Tourist Development Corporation
AFC	Agricultural Finance Corporation
SME	Small and Micro Enterprises
GDP	Gross Domestic Product
KWAL	Kenya Wine Agencies Limited
DTM	Deposit taking micro finance institutions
KPOSB	Kenya Post Office Savings Bank
SACCO	Savings and Credit Cooperative Societies
MFIs	Credit only Microfinance Institutions
CRB	Credit Reference Bureaus

CHAPTER ONE: INTRODUCTION

1.1Background of the Study

Modern organizations face an unprecedented level of turmoil and dynamism due to increased environmental turbulence. This turmoil is triggered by among other things; globalization, change in technology, increased competition and homogeneity in customer needs. The severity of environmental turbulence forces managers to keep on changing strategies to align their firms to survive (Johnson et al, 2004). Strategic change is triggered by events in the external environment that are of such importance to a company that it must react otherwise it will be forced out of business.

Organizations must therefore scan the environment constantly to determine the appropriate response strategy that will enable them to not only survive but thrive. Scanning the environment involves gathering information about events, relationships and trends in the general environment of an organization that can assist management in making strategic decisions (Lozada and Calantone, 1996). Scanning the external environment involves analyzing political, legal, and socio-cultural, technology and economic conditions. For implementation of strategic change to succeed it must be part of the strategic management process of an organization. Strategic management includes all activities that assist management to establish the current and desired state of an organization and formulate strategies to get to the desired state in order to maximize shareholder wealth (Mintzberg, 1993; Pearce II and Robinson, 1997; Tulloch, 1993).

1.1.1 The Financial Sector in Kenya

The formal financial sector in Kenya is made up of 43 commercial banks, one mortgage finance institution, six DTMs, one KPOSB, 5 DFIs, 5,544 Sacco's, 34 MFIs, 124 Forex Bureaus, 2CRBs and 3 Foreign Bank Offices. These institutions as at June, 2011 had total customer deposits of about Ksh. 1.3 trillion, an asset base of Ksh. 2,139 billion and liquid assets of Ksh. 522 billion (Omino et al, 2007; http://www.centralbank.go.ke/). Commercial banks, DTMs, Forex Bureaus and CRBs are currently supervised by the Central Bank of Kenya whereas credit only microfinance institutions and Sacco's are under the umbrella of AMFI and KUSSCO respectively. The umbrella bodies regulate the institutions under them and set the ground rules.

The five DFIs were set up between 1950 and 1970 to provide long term finance as part of industrialization strategy initiative of the country. The five DFIs operate under the supervision of the line ministries that they fall under and which focus on the sector they provide financial solutions to. The line ministries are headed by a cabinet secretary appointed by the president after approval by the national assembly. There is therefore no umbrella body that regulates the five DFIs (Omino et al, 2007; Murgatroyd and Gachuba, 2004; Njenga et al, 2006).

According to Murgatroyd and Gachuba (2004), National DFIs have a significant role to play to eradicate poverty through specific and targeted policies aimed at addressing key market failures. Private DFIs and Commercial banks focus on profitability objective rather than economic, social or political goals. National DFIs contribute to poverty alleviation by focusing on developmental impact of the projects that they undertake either by way of equity participation, guarantee arrangements, debt financing etc. Market failures relate to trade imbalances, skewed provision of finance, income inequalities, discriminatory development focus, economic and social imbalances etc. Development Finance Institutions focus on projects that generate positive externalities and that empower the poor at grass root levels. Unlike private financial institutions that only focus on maximising shareholder wealth, DFIs can invest in projects which have highest developmental impact even when alternatives available promise higher returns but little or no impact on development (Omino et al, 2007; Njenga et al, 2006).

1.1.2 The concept of strategic change

Strategic change is the act of taking a company from a state that is not desirable to a future state that is desirable and which will improve its performance. Strategic change enables a company to achieve distinct competitive advantage, have a direction, build brand reputation and add superior performance. Strategic change enables a company to also define its market position and create a unique value proposition. Environmental change is so rapid that firms must continually survey the product-market environment in search for investment opportunities. Successful strategic change is built on the overall strategic management system of an organization (Igor Ansoff, 1984; Porter, 2005; Johnson et al, 2004).

Organizations use different approaches to implement strategic change. One of the best and commonly used approaches is one specifically designed for the business context of a company. In this approach change is not from without that is through a prescribed set of activities that must be followed but is specific for the organizational context and is incremental or what is called implementation “by stealth” (Macdougall, 2007). Use of incremental strategic change usually attracts resistance from staff both expectedly and sometimes unexpectedly. Sometimes change experiences politics and conflicts might even occur. Staff might resist change due to fear of what might happen to their daily routines and /or jobs.

In strategic change resistance to change is expected and is either mitigated or overcome. According to Kotter (1996) common prescriptions for effectively managing change include encouraging participation from as many employees as possible, addressing their concerns in the change program, and ensuring that leaders act as role models for the changes. Change can also be implemented through a set of prescribed activities by a professional change agent. Implementation of strategic change is very challenging as it requires ability to cope with ambiguity that comes with a new strategy. Implementation of strategic change also requires a lot of flexibility, insight and sensitivity to the context of the strategy. The change agent must be able to wear many caps in that he must have the capacity to be a negotiator, a facilitator and also be able to fix situations. He should be able to drill right down to the detail of a new strategy and communicate it well to all stakeholders and more importantly to employees (Saka, 2003).

1.1.3 The concept of strategy implementation

According to Johnson et al (2004) structuring and resourcing tactical strategies are important in organizations during implementation of strategic change. The preparation and implementation of a strategic plan can be anything but an effortless undertaking especially for organizations operating in turbulent environments. The real measure of success in achieving strategic change lies in managing an implementation plan and seeing it through to its successful completion. The first step is that structure must follow strategy for strategic change to succeed.

Drucker (1990) stated that structure is a means for achieving the objectives of an organization. Aligning structure to strategy is however not enough; the organization must avail the necessary resources and even change the culture where necessary. Without a coherent strategy implementation methodology even well formulated strategies achieve very little or nothing at all. Successful strategy execution is the most important source of sustainable competitive advantage in modern organizations. Successful implementation of strategic change is tied to how the strategy is formulated, communicated, articulated, directed, organized, controlled and evaluated (Beaver, 2003).

One of the reasons why strategy implementation fail is that many executives are deceived into believing that once a superior strategy is well communicated within the organization, it will be implemented successfully. Many organizations also find it difficult to bridge the knowing-doing gap which leads to failure in strategy implementation. In many instances, senior executives fail to obtain the required buy-in and commitment from all the stakeholders resulting in a lot of resistance. Kotter and Schlesinger (1989) discussed several methods to deal with resistance of strategic change which include upgrading education, improving communication, boosting participation and involvement of individuals at all levels, facilitation and support by top management, negotiation and agreement between employees and management.

1.1.4 Middle management

Floyd and Wooldridge (1994) defines middle management and the middle manager as that employee charged with the responsibility of coordinating between daily activities of the functional units and the strategic activities of the top management in the organizational hierarchy. They stress the middle manager's role as the link and a tie between top management and operational workers. In simple terms middle managers receive strategic decisions from the top management and cascade to lower management and operational workers to implement. Middle managers implement strategic plans developed by top management, manage performance and motivate operational staff.

Implementation of strategic change issues touch on operational processes, information systems, the strategic role of human resources, allocation of resources and leadership which are areas that middle management play a big role in (Permana et al 2012). In most organizations, strategic change begins with the top management team by undertaking strategic planning, setting priorities and linking these priorities to line departments (Williams, 2000). Once the top management team has laid the groundwork for strategic change they delegate tactical strategies to middle level management to execute the change programs. Middle level managers are part of the strategic process teams that play an important role in the realization of the whole change strategy by linking strategic priorities to tactical actions (Floyd and Wooldridge, 1992; Kotter and Schlesinger, 1989; Johnson et al, 2004).

1.1.5 Development finance institutions in Kenya (DFIs)

Kenya has five DFIs namely AFC, ICDC, IDB Capital, KIE and KTDC. These institutions were formed between 1950 and 1970 mainly through various acts of parliament to facilitate development of the country through provision of long term finance, business development services, advisory services and trade facilitation (Njenga et al, 2006). Formation of these institutions was informed by a research done at the time which showed that no country can develop without the intervention of home grown DFIs. Commercial banks were found to be mainly focused on maximizing shareholder wealth and not necessarily assisting in the growth of the economy (Omino et al, 2007; Murgatroyd and Gachuba, 2004).

The five DFIs were designed to be the main engines of development in pillar sectors of the economy which contribute immensely to the country's Gross Domestic Product and also provide a lot of employment namely agriculture, commerce & industry, tourism and the SME sector. Agricultural Finance Corporation (AFC) was mandated to champion financing in the agricultural sector; Industrial and Commercial Development Corporation (ICDC) was to focus on commercial and industrial sector; Kenya Tourist Development Corporation (KTDC) was to target tourism sector, IDB Capital was to champion industrial development whereas KIE was to focus on the SME sector. The five DFIs are mainly owned by the government of Kenya either directly or through wholly owned government agencies. The running of the DFIs is entrusted on a Board of Directors, who in turn administers the affairs of these institutions through an accounting officer. On the other hand the government, which essentially owns these institutions, maintains control by appointing members of the Board of Directors; which includes the chief accounting officer (Murgatroyd and Gachuba, 2004; Njenga et al, 2006).

The five DFIs made critical contributions to Kenya's development for several years immediately after independence by providing seed capital, joint venture finance and strategic partnerships that was used to establish some the blue chip companies in Kenya today such as General Motors, Yana Tyres, East African Industries, Centum Investment Company, Nairobi Bottlers, Sony Sugar, Mombasa Beach Hotel, KWAL, etc. However, the five DFIs started declining as from the 1980's both in terms of value of their own assets and contribution to the general economy of the country. The decline was mainly caused by loss of budgetary support from the national treasury, donor apathy, poor management practices, political interference and bureaucratic red tape (Murgatroyd, and Gachuba, 2004). There have been renewed efforts in recent years by the government of Kenya through its appointed representatives, to revive these institutions to enable them jumpstart growth in the economy.

It is a widely known fact that most developed countries including the newly emergent middle income countries have succeeded mainly due to the intervention of national DFIs. This fact has pushed the government to be even more urgent in reviving the DFIs if Kenya is to be transformed into a middle income country as envisaged in Vision 2030. Some of the earlier efforts to implement strategic change have seen staff numbers fall drastically in efforts to turnaround the institutions with varying degrees of success. Strategic change efforts are still on-going in many of them which are a sign of poor implementation of strategic change initiatives in the past (Omino et al, 2007).

1.2 Research problem

The five Kenyan DFIs have been performing dismally since the1980s due to a myriad of factors. Some of these factors can be classified as external to these institutions whereas a big number are internal to them (Murgatroyd and Gachuba**,** 2004). Reductions in government funding and political interference are some of the external factors whereas bureaucratic red tape, low staff morale and poor management practices are some of the internal factors. This poor performance resulted in drastic decrease in combined total assets in the six years to 1987 which resulted in a drop of 40% and the drop has continued to date (Njenga et al, 2006; Omino et al, 2007). Most of these DFIs have huge non-performing loans which affect their ability to raise funds to undertake their operations as stipulated in their mandates. In addition, most of them are not registered as limited liability companies; limited by shares. This poses a challenge to them as they are unable to access credit from lenders since it is difficult to determine their debt to equity ratios (Omino et al, 2007).

Due to this poor performance the government has on several occasions commissioned a lot of studies on the way forward. These efforts have resulted in plausible strategic plans to turnaround the institutions. However, most of the strategy documents produced have either been implemented partially or abandoned all together due to intense resistance from powerful stakeholders (Murgatroyd and Gachuba, 2004). The frequent attempts to change strategies due to poor implementation have created the need to explore the role of middle managers in the implementation of strategic change to inform future implementation of strategic change programs.

One of the signs of poor implementation of strategic change initiatives has been drastic reduction in staff numbers from over 2000 in early 1990s to about 800 currently without corresponding improvement in balance sheet values and performance. Frequent retrenchments have resulted in apathy and poor morale on the survivors often leading to even poorer performance and disillusionment (Murgatroyd and Gachuba, 2004). Most of these institutions have been in a change mode in each financial year since late 1990s due to poor implementation of strategic change. The main reason for failure of these strategic change initiatives over the years can be said to have been lack of middle management commitment and involvement. These strategic change programs are designed by in-house strategic teams and/or professional consultants who are paid hefty amounts of money in professional fees. This leads to wastage of public funds when the strategic change initiatives fail to achieve the envisaged objectives.

Several studies have been carried out on the broad topic of strategic planning and strategic change implementation without any mention on the role that middle managers play during implementation of strategic change in development finance institutions. Renowned management guru Mintzberg (1994) studied the reasons behind the rise and fall of strategic planning. He found out that strategic planners create strategies without empowering managers to think strategically. He noted that what is being practiced in many organizations is actually strategic programming which involves articulation and elaboration of strategies and visions that already exist. Igor Ansoff (1984) studied how organizations can implant strategic change in order to improve chances of success during implementation. He found that those planners who were aware of the different degrees of environmental turbulence and designed strategies which were specific to each degree stood a big chance of success during implementation than those who did not.

Murale and Preetha (2011) investigated the effectiveness and competency levels of middle management. He found that there is a high failure rate of strategic change programs at implementation mainly due to failure by implementers to embrace strategic thinking since they confuse real vision with manipulation of numbers. Research studies done by Murgatroyd and Gachuba (2004) carried out a study on restructuring options for the five DFIs in Kenya. The study found out that for the DFIs to succeed the government needs to strengthen corporate governance and put the DFIs under the Companies Act with the Ministry of Finance representing ownership. They noted that this will reduce bureaucratic red tape and improve decision making among other benefits. Omino et al (2007) conducted a study on Comprehensive Reform of the Kenyan DFIs. The study found out that the DFIs suffered from poor corporate governance, poor management practices, bureaucratic red tape and lack of financial support from the government and donors. Njenga et al (2006) conducted a study on the issues and policy options on DFIs in Kenya. The study found out that the DFIs play a key role in mobilizing long term finance to finance development and recommended the Government to channel some of its budgetary allocations through these institutions to finance development. The study recommended the need to improve management practices and strengthen corporate governance in these institutions. All these studies did not investigate the role that middle level managers play or are supposed to play during implementation of strategic change programs in development finance institutions in Kenya. The research question that the study sought to answer was “what is the role of middle level managers during implementation of strategic change in DFIs in Kenya?”

1.3 Research Objective

The objective of the study was to investigate the role of middle level management in the implementation of strategic change in development finance institutions in Kenya

1.4 Value of the study

The research study could assist development finance institutions in Kenya to implement strategic change successfully in future to stop wastage of public resources. The study could also assist the government to develop strategic implementation models that can be replicated in other public institutions undergoing strategic change to ensure success. The study would also benefit private sector organizations by assisting them to design strategic change implementation plans that can enable them achieve their objectives. Lastly the study could assist other researchers carrying out research on various aspects of the implementation of strategic change and also those carrying research on related topics.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of literature on the concept of strategic change, change management, implementation of strategic change, and levels of management and the roles of middle management in the implementation of strategic change

2.2 Change management

Change management is an area that draws heavily from studies in organizational behaviour, sociology, strategy, psychology, economics etc. For many scholars, consultants and management gurus, bodies of knowledge in these areas are linked and integrated by concepts and principles that inform change management. Implementing change and adapting change are the two main ways that management of strategic change is viewed. Implementing change is when an executive demands it whereas adapting change is often when line managers and supervisors embrace change by adapting aspects of change to current operations. Change management involves the effective management of change during the normal business operations of an organization (Kotter, 1996; Garg and Singh, 2006).

Change management is vital when an industry has to successfully change from the old ways of working to be more productive, cost efficient and competitive in a new business model. Managing change is posing a big challenge to many Kenyan firms, as there is a great inertia and resistance to change and also lack of knowledge of globalization and liberalization throughout the public and private sector (Pfeifer et al, 2005). Management think tanks have noted that change in technology, systems, structure, people and culture is an important ingredient to managing change successfully in an organization. For a change programme to be successful, change must be implemented in such a way that bigger changes are intercepted by smaller changes and also the programme of change must address change in the areas of technology, systems, structure, people and culture (Kotter and Schlesinger, 1979).

2.3The concept of Strategic Change

Modern organizations face with increased environmental turbulence mainly due to globalization. In the past the environment was predictable and stable, expanding slowly but incrementally but presently it is discontinuous and unpredictable. Each of these environmental conditions determines the type of strategic change approach that an organization can adopt (Hussey, 1999; Igor Ansoff, 1984). The number of mergers and acquisitions has grown due to increased attempts to consolidate industries to achieve competitive advantage. There is intense competition between companies for scarce resources and the battle to attract customers has become fierce. The pressure to remain competitive in the face of changing environments force companies to change strategies in short durations (Johnson et al, 2004; Igor Ansoff, 1984). Most top managers within organizations fail to recognize that 'speed is the essence' in successful implementation of strategic change. Implementation of strategic change in organizations fails because top management does not appreciate and incorporate middle level management in the whole change process. The success rate of implementation of strategic change initiatives is therefore very low and this has led to winding up of a lot of companies (Atkinson, 1995)**.**

2.4 Implementation of strategic change

According to the widely acknowledged Pareto 80/20 rule, about 20 percent of all strategic change programs succeed and achieve their objectives while 80 percent fail and do not achieve their change objectives. Troubled or failed change programs create cost overruns which drain company resources. One of the key steps during implementation of strategic change involves aligning strategy to structure. According to Chandler (1962) a company must focus its attention on defining its strategy (Who are we, and what are we trying to do?) before it makes any effort toward developing its structure (How do we do it, and do it well?) during implementation of strategic change.

The key challenges to implementation of strategic change include changing mindsets, attitudes, corporate culture and underestimating complexities in the change process. Changing mindsets, attitudes and corporate culture are considered as being the “soft issues”. Changing mindsets, attitudes and culture requires different techniques, applied consistently and over time in a long period of time and even after the whole change package has been implemented (Hans et al, 2009). Management experts in the field of change management have identified the single most important aspect in implementation of strategic change as management support and more importantly top management when supported by middle level management. No change can be realized without the two levels of management complementing each other (Johnson et al, 2004).

2.5 Levels of management

Most organization consists of three levels of management namely top level management, middle level management and low level management. The levels of management denote the demarcation line between management positions in an organization. Top level management normally consists of board of directors, company secretary and chief executive officer. Top level management of an organization is the main source of authority and is responsible for formulating the strategic policies of an organization and managing its goals (Smith and Kofron, 1996)). Top level management is mainly involved in preparation of strategic plans and policies that must be followed in an organization. It thus influences the strategic direction of an organization.

However it is unrealistic to suppose that they can control everything. There are many others in the organization –middle management and below whole play a major role in managing strategic change (Johnson et al, 2004).Middle level managers in most organizations consist of branch managers and departmental heads. Middle level managers oversee the functions of departments and branches that they are in charge of. They report to top management on the performance of their respective departments and /or branches. Low level managers report to middle level managers. They include supervisors and principal officers.

2.6 Roles of middle level management in the implementation of strategic change

Middle level management plays a very important role in the implementation of strategic change. Johnson et al (2004) noted that middle level management play the role of implementers, sense making, reinterpretation and adjustment of strategic responses as events, bridge between top management and lower level executives and as advisors. As implementers of strategic change, middle level management implement top management strategic change plans and policies. They ensure resources are provided and controlled appropriately. They monitor performance behaviour of staff and explain the strategy to subordinates. Middle level managers play the role of sense making by explaining the strategy programs to staff to prevent misinterpretation. In order to do this, middle managers must understand and feel a sense of ownership since they are in charge of regions and functional departments. Middle managers reinterpret and adjust strategic events as responses as events unfold. They are in constant interaction with the customers, suppliers workers etc. They are in day to day contact with all aspects of the external environment. Middle managers therefore provide a crucial relevance bridge between top management and operational staff by translating change initiatives into a message that is locally relevant. They also play the role of advisors by advising top management on what are likely to be blockages and requirements for change. They are in a key mediating role between those trying to direct change from the top and the operating below (Johnson et al, 2004).

Middle level managers are supposed to implement the change activities handed down to them by top management. This therefore means that middle level managers in effect assume the role of change agents during implementation in their departments (Schumacher, 2008). According to

Wireman (1998) change agents are creative, courageous, visible, persevering and motivated. Middle level managers need to exhibit creativity in dealing with resistance to the change in the departments that they head. They should also be visible, self-motivated and persevering during implementation to ensure success. Nothing can demoralize staff like a de-motivated manager who is opposed a new change strategy. According to Saka (2003) change agents must have clarity of goals, team building capabilities, communication skills, negotiation skills and influencing or leadership skills to ensure that implementation of strategic change is seen through to completion. In many organizations middle level managers are not regarded as change agents instead many organizations appoint an outside consultant or the chief operating officer as the change agent. These change agents are appointed due to expert power as in the case of the outside consultant or position power as in the case of the chief operating officer (Schumacher, 2008). However without the support of the middle level managers' implementation of the change usually fails because they are the people who are in constant communication with the employees who are targeted by the change strategies.

Strategic change cannot be implemented successfully without good leadership. Leadership is perhaps the single most visible factor that distinguishes change initiatives that succeed from those that fail as it is what makes things happen in an organization. According to Nienaber (2010) leadership in an organization conceptualizes a manager who possesses qualities that are so unique that he/she is able to influence or overpower subordinates to behave in a certain way. Any change faces resistance and for it to succeed middle level managers require unique leadership qualities to influence subordinates to behave and act in a way that is consistent with the change efforts. Khan and Ahmad (2012) noted that a leader should possess interpersonal skills (Ability to Motivate, Communicate, and Build a team) in order to effectively implement strategic change. Leaders should be able to stimulate, instill and inspire a sense of purpose within employees for change to succeed. Change cannot be implemented successfully without good communication. An efficient manager should be able to provide progress reports to top management and other stakeholders to ensure that they continue supporting and funding the new strategic change initiatives (Mapetere et al, 2012).

In order for strategic change to be implemented successfully, middle managers as implementers must be politically savvy. The implementers of strategic change require political skills to be able to acquire resources and commitments needed to implement strategic change effectively. Middle level managers should be able to juggle the self-interest of the various stake holders to successfully implement strategic change. The commitment level of the various stakeholders is determined by the congruency between organizational interest and individual self-interest. In cases where the divergence is a narrow, commitment is very high but where it is wide resistance to the change being implemented is very strong. It is the work of the middle level manager to bridge this gap (Guth and MacMillan, 1986). There is a lot of political activity in organizations that influences how resources are allocated. Individual and coalition intervention behavior influence allocation of resources to implement strategic change activities. Middle level managers should use political tactics to engineer tradeoffs that need to be made in the allocation of resources. Since intervention and coalition behavior does exist in organizations and influence the outcome of decisions, it is important that middle level managers recognize, understand and influence it to ensure that strategic change is implemented efficiently (Guth and MacMillan, 1986).

According to Porter et al (2007) implementation of strategic change is what provides competitive advantage to companies**.** Implementers are the breed of people who turn ideas into reality**.** It might be argued that all middle level managers are implementers of strategic change initiatives designed to transform an organization because they are responsible for the day-to-day activities of their departments. Executors of strategic change must promote participation of employees even when they have little or no authority over them. Implementers of strategic change ensure strategic tactics are implemented within budget at the right time and in the right way. Implementers are tenacious in that they have an internal desire to engage in tasks, avoid delay and press forward. Implementers of strategic change are versatile, adaptable, and self-driven, innovative, risk takers and organizers. Implementers explain the upcoming changes, calm fears, do the training and plan the work schedules; in short they are the ones who effectively take the changes from the top management and oversee implementation (Dalgleish, 2006).

2.6.1 Conceptual framework: Roles of Middle level Management

Figure 2.6.1 Schematic Conceptual Frameworks

Independent Variables

- Implementers
- Sense makers
- Bridge
- Advisors
- Interpreters
- Change agents
- Politicians
- Leaders
- Communicators

Dependent Variable

Implementation of strategic change management

Source: Author (2013)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

The Chapter describe the research design, population of the study, data collection and data analysis method used in the research study.

3.2 Research design

A descriptive research design was adopted. According to Cooper and Schindler (2001) descriptive studies deal with the question of who, what, when, where and how of a phenomenon. This design is used where there is some understanding of the topic being studied. There were some variables that could not be quantified in the study and could only be expressed in descriptive statistics and that is why descriptive research design was adopted.

3.3. Population of the study

The population of the study comprised the five development finance institutions headquarters namely Agricultural Finance Corporation (AFC)'s Development House offices, Industrial and Commercial Development Corporation (ICDC)'s Uchumi House offices, Industrial Development Bank (IDB Capital)'s National Bank Building offices, Kenya Industrial Estates (KIE)'s Likoni/Lusingeti Road offices and Kenya Tourist Development Corporation (KTDC)'s Utalii House offices. The study investigated the role of middle level management in the implementation of strategic change in development finance institutions in Kenya.

3.4 Data collection methods

Primary and secondary data was used for the purpose of this study. The researcher used questionnaires as the main tool for collection of primary data. Secondary data and information was collected from annual reports, circulars, company websites, company newsletters, brochures and other relevant industry publications.

The questionnaires used to collect primary data were divided into Section A and Section B. Section A was designed to collect information on the roles of middle level managers in the implementation of strategic change whereas section B was for general information relating to age, work experience and educational background of the respondents. Questionnaires were chosen as the main data collection tool in the survey because they were found to be ideal in collecting qualitative and quantitative data. Most of the respondents were senior executives who could find other methods time consuming due to their busy schedules. Questionnaires offered them the opportunity to provide information when it was convenient for them during the day. Due to the fact that the questionnaires were not asking for the identity of the respondents, they offered the best opportunity to collect confidential information that was useful in achieving the research objective.

Questionnaires were also not very expensive to use and were relatively free from personal bias of the researcher. The questionnaires consisted of short closed and open ended questions which were easy to answer in a relatively short period. The questionnaires were hand delivered to the respondents at the five DFIs headquarters by the researcher. To ensure the information collected was credible and reliable, the respondents were made up of staff drawn from all management levels and non-management staff. As for respondents working in regional and branch offices in the two DFIs with regional and branch offices namely AFC and KIE, the researcher sent the questionnaires through the registered postal address.

3.5 Data analysis

The data collected was thoroughly checked for consistency, completeness and comprehensibility. Statistical package for social sciences (SPSS) was used to analyse the quantitative data that was collected. Descriptive statistics which consisted of percentages, mean scores and standard deviation were used to analyse the quantitative data. The data was tabulated, summarized and presented using frequency tables.

Content analysis was used to analyse qualitative data on the respondents view s on the roles of middle level managers in the implementation of strategic change. The researcher used content analysis to make inferences by objectively and systemically identifying specified characteristics of responses in the completed questionnaires. The researcher analyzed and categorized information to identify core consistencies and meanings. The analysis established frequencies of most commonly used key words and phrases that provided themes and patterns that enabled the researcher to answer the research question and attain the objective of this study.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND LATER PRESENTATION

4.1 Introduction

This chapter presents findings of the study from the data collected through questionnaires. Interpretation of each finding on the role of middle level managers in the implementation of strategic change in development finance institutions in Kenya is also presented. Content analysis and descriptive statistics were used to decipher meanings from the data and presented inform of tables and narratives for ease of understanding.

4.2 Response rate

According to Mugenda and Mugenda (1999) a response rate of 50% and above is sufficient for drawing inferences about a population's opinion on a topic and for statistical reporting. The information and data obtained attained this threshold and was therefore adequate to base conclusions on.

4.3 Background information of the respondents

The researcher sought background information on the respondents relating to their gender, work experience, and highest level of education achieved. He also sought information on whether they have participated or witnessed strategic change implementation in their institutions. The findings are presented below;

4.3.1 Gender

The respondents were asked to indicate their gender. This information was aimed at getting the views of all genders on the role of middle level managers in the implementation of strategic change in development finance institutions in Kenya. The results are contained in Table 4.3.1.

Table 4.3.1: Gender of Respondents

Category	Frequency
Male	70%
Female	30%
Total	**100%**

Source: Author (2013)

Table 4.3.1 above, indicates that 70% of those who responded were male whereas 30% were female. From the survey findings we can infer that about two thirds of the workers in the five development finance institutions are male whereas one third of the total employees are female employees. These findings are consistent with constitution of Kenya 2010 requirements.

4.3.2 Age distribution of respondents

The respondents were requested to indicate their age. This was aimed at collecting views on the roles of middle level managers in the implementation of strategic change in development institutions in Kenya from all age groups represented in the organizations. This was because views of the younger generation Y employees are bound to be different from those of the older employees. Younger employees are known to be change oriented and pose less resistance to change than the older generation employees who are risk averse. The findings are contained in Table 4.3.2.

Table 4.3.2: Age distribution of respondents

Category	Frequency
18-25 Years	20%
26-35 Years	40%
36-45 Years	30%
46-59 Years	10%
Total	**100%**

Source: Author (2013)

Table 4.3.2 shows that, of the total respondents 20% were aged between 18-25 years, 40% were aged between 26-35 years, 30% were aged between 36-45 years and 10% were aged between 46-59years. From the information one is able to infer that about 60% of all employees in these institutions are aged 35 years old and below whereas the older generation employees aged 36 years old and above comprise about 40% of the total employees. This age distribution has been caused by the many retrenchment exercises that have been undertaken in the DFIs over the years. Many of the strategic change programs have failed to achieve their objectives and have been abandoned before implementation or immediately after retrenchment.

According to Murgatroyd and Gachuba (2004) once retrenchment was concluded executives tended to falsely believe that the strategic change initiative has achieved its objectives and then the strategic change implementation rate lost momentum and eventually died out gradually. One of the most notable effects of these failed strategic change programs has been notable reduction in staff numbers in the five development finance institutions over the years (Omino et al, 2007; Murgatroyd and Gachuba, 2004). This explains why the organizations have a large percentage of its employees aged 35 years old and below. The older employees are mainly survivors thinned out by the many retrenchments that have been undertaken over the years. Most of the younger employees have been hired to fill vacant positions created by employees who have been retrenched in many of the botched strategic change initiatives. This practice has continued to worsen the unemployment problem in the country since the strategic change programs have often led to organizations with fewer employees than before.

4.3.3 Highest education level achieved

The respondents were requested to indicate their highest education level achieved. This was aimed at determining the ability of the respondents to understand the issues being investigated and also provide satisfactory responses. The researcher also wanted to establish whether the institutions have skilled professionals who are able to contribute in terms of skills and ideas towards the achievement of their institutions strategic change objectives and goals. The findings are contained in Table 4.3.3.

Table 4.3.3: Highest education level achieved

Category	**Frequency**
Diploma/Other level	**20%**
Bachelor degree level	**30%**
Masters level	**50%**
PhD level	**0%**
Total	**100%**

Source: Author (2013)

Table 4.3.3 above, shows that 50% of the respondents surveyed hold a masters degree, 30% hold a bachelors degree, 20% hold a diploma or other professional certificate whereas an insignificant number hold a PhD degree certificate. This means that the institutions have employed highly learned professionals who are equipped with the requisite knowledge and skills necessary to implement strategic change programs effectively. The respondents are also able to understand the research questions and provide objective answers that will meet the research objective and answer the research question.

4.3.4 Working experience

The respondents were requested to indicate the number of years that they have worked for their respective development finance institutions. The information aimed at determining the working experience appropriateness of respondents in answering the questions regarding the role of middle level managers in the implementation of strategic change in development finance institutions in Kenya. The research findings are contained in Table 4.3.4.

Table 4.3.4: Working experience

Category	**Frequency**
Under 5 Years	50%
6-10 Years	30%
11-20 Years	10%
Over 21 Years	10%
Total	**100%**

Source: Author (2013)

Table 4.3.4 above, shows that 50% of the respondents have worked for their respective institutions for 5 years and below, 30% have worked for a period of between 6-10 years, 10% have worked for between 11-20 years whereas the remaining 10% have worked for their respective institutions for over 21 years. The findings showed that most respondents have worked in their respective institutions for 5 years and above and hence have been involved in the implementation of strategic change in their institutions and therefore understand and appreciate the role of middle level managers in the implementation of strategic change. They were therefore found to be competent in filling the questionnaires.

4.3.5 Experience in strategic change implementation

The respondents were asked to indicate whether they have ever witnessed or participated in the implementation of strategic change. They were also requested to indicate the number of times their institutions had attempted to effect strategic change. This question was aimed to determine whether they had any first had experience and /or knowledge about implementation of strategic change. This assisted the researcher to determine their ability to provide objective and satisfactory answers to the research questions. The findings are contained in Table 4.3.5.

Table 4.3.5 Experience in strategic change implementation

Category	**Frequency**
Participated/witnessed	70%
Never participated/witnessed	30%
Total	**100%**

Source: Author (2013)

According to Table 4.3.5 above, 70% of the respondents have participated and/or witnessed implementation of strategic change in their institutions whereas 30% have not participated or witnessed strategic change and may have learned about it from those who were affected or participated. This meant that the respondents were able to provide informed opinions on the role of middle level managers in the implementation of strategic change in development finance institutions in Kenya. According to the findings also over 90% of the respondents indicated that their institutions have implemented strategic change more than twice whereas the remaining 10% indicated that their institutions have implemented at least once to the best of their recollection. From the findings most of those who indicated that their institutions implemented strategic change only once were found to be relatively new employees. This meant that most of the respondents have witnessed firsthand the role middle level managers played during implementation of strategic change in their institutions and are therefore able to provide objective and informed answers on the role of middle level managers in the implementation of strategic change.

4.4 Role of middle level managers in the implementation of strategic change

The respondents were requested to state whether they strongly agreed, agreed, strongly disagreed or disagreed with a list of roles of middle level management in the implementation of strategic change in development finance institutions in Kenya. The perceived roles of middle level managers in the implementation of strategic change which the researcher put to the respondents to rate included the roles as implementers, sense makers, bridge, advisors, interpreters, change agents, leaders, politicians and communicators.

A likert scale of 1-5 was used to rate the perceived roles of middle management in the implementation of strategic change in development finance institutions in Kenya. The responses were scored in the likert scale whereby those who strongly agreed were awarded 3.6-5.0 points, those who agreed were awarded 2.6-3.5 points whereas those who disagreed were allotted 1.6-2.5 points and those who strongly disagreed were allotted 1.0 -1.5 points.

Mean score and standard deviation were used to analyze the data collected by the questionnaires. Those roles which returned a mean score of 2.5 and below were considered as roles that middle management do not play or play the least during implementation of strategic change whereas those that returned a mean score of 2.6 and above were considered as roles that middle management mainly play during implementation of strategic change. Standard deviation was also used to analyze responses level of consensus. The higher the standard deviation, the higher the level of dispersion of respondent's views on a perceived role that middle management play during implementation of strategic change. A standard deviation of less than 1 (one) meant there was consensus among the respondents on a role put to them to rate whereas a standard deviation of more than 1 (one) implied there was no consensus among the respondents. The results were used to determine the roles of middle level management in the implementation of strategic change in development finance institutions in Kenya. The findings are presented in Table 4.4.

Table 4.4 Role of middle level managers in the implementation of strategic change

Role	Mean score	Standard Deviation
Implementers	3.50	0.0740
Sense makers	3.60	0.1262
Bridge	3.93	0.5597
Advisors	3.60	0.2010
Interpreters	3.73	0.2343
Change Agents	4.54	0.0046
Leaders	3.69	0.6203
Politicians	2.33	0.1412
Communicators	4.13	0.6133

Source: Author (2013)

4.4.1 Implementers

The respondents were asked to rate whether middle level managers play the role of implementers in the implementation of strategic change on the likert scale. Table 4.4 shows the responses achieved a mean score of the respondents ratings on the role of implementers was 3.50 which meant that the respondents agreed that middle level managers play the role of implementers during implementation of strategic change in their institutions. The standard deviation was 0.0740, which was less than 1 and which therefore implied that there was a strong consensus among the respondents that middle level managers play the role of implementers during implementation of strategic change. This is so because a standard deviation of less than 1 (one) meant there was consensus among the respondents on a role put to them to rate whereas a standard deviation of more than 1 (one) meant there was no consensus among the respondents. The respondents were asked to briefly explain some duties that middle managers undertake in this role. The respondents noted that middle level managers are involved in drawing work plans and also undertake performance management which is important in achieving strategic change objectives. The respondents also noted that middle level managers were involved as implementers of strategic change initiatives in that they are the ones who draw the list of employees that they recommend to top management for retrenchment in cases where staff downsizing is one of the strategic change objectives.

4.4.2 Sense makers

The respondents were requested to rate the role of sense makers on the likert scale as one of the roles that middle level managers play during implementation of strategic change. According to findings contained in Table 4.4, the mean score of the respondents rating on the role of sense makers was 3.60 and the standard deviation was 0.1262. These findings show that middle level managers play the role of sense makers during implementation of strategic change. There was also a consensus among the respondents on the role as shown by the standard deviation of 0.1262. Respondents in explaining how middle level managers' play this role indicated that, they explain the strategic change objectives, goals and programs to departmental staff to get their support and commitment. Middle level managers provide coaching, counseling and guidance to staff during implementation of strategic change to ensure they implement the change according to specifications. They inspire staff in departmental meetings which reinforce the new organizational direction being championed by the strategic change. Sense making allows a process by which the self-aware and reflexive middle level manager negotiates the meanings and ascendant notions of common sense related to planned strategic change and cascade it downwards. As sense makers they establish inter subjective dialogue during an in-the-moment disruption in understanding of a work flow.

4.4.3 A bridge

The respondents were asked to rate whether middle level managers act as a bridge during implementation of strategic change in their organizations. The aim of the question was to establish whether middle level managers act as a bridge between top level management and operational staff. According to findings contained in Table 4.4 middle level managers play the role of a bridge during implementation of strategic change. The findings on the respondents rating returned a mean score of 3.93 on the role of a bridge which meant that the respondents agreed that middle level managers play the role of a bridge during implementation of strategic change. The standard deviation of the ratings was 0.5597 which meant that there was a consensus among the respondents on this role of middle managers during implementation of strategic change. The respondents were requested to indicate briefly how they play this role. They noted that middle level managers are on a daily contact with all players of an organization's external environment. They collect strategic change responses from the external environment and pass it to top management for further action. Middle level managers also provide a crucial relevance bridge between top management and operational staff by translating strategic change initiatives into a message that is locally relevant. They also escalate operational staff concerns to top management for resolution during implementation of strategic change.

4.4.4 Advisors

The respondents were asked to rate whether they held the view that middle level managers play the role of advisors during implementation of strategic change in their organizations. According to findings contained in Table 4.4 the responses had a mean score of 3.60 and the respondent's ratings had a standard deviation of 0.2010. This means that the respondents agreed that middle level managers play the role of advisors in the implementation of strategic change in their institutions. The standard deviation (0. 2010) implied that the respondents had a consensus that middle level managers play the role of advisors in the implementation of strategic change. The respondents were asked to briefly explain the main tasks in their view in this role and noted that middle level managers advise top management on what are likely to be blockages and requirements for strategic change. This is because middle level managers are in a key mediating role between those trying to direct change from the top and the operating below. The respondents noted that middle level managers are at times incorporated and/ or consulted in the strategy formulation process and setting of work plans which gives them an opportunity to advise top management on the best way to implement strategic change.

4.4.5 Interpreters

The respondents were asked to rate the role of interpreters as one of the roles that middle level managers play during implementation of strategic change. According to findings contained in Table 4.4 the responses achieved a mean score of 3.73 which meant that middle level managers actually do play the role of interpreters during implementation of strategic change. The respondents arrived at a consensus that middle level managers play the role of interpreters as shown by the responses standard deviation of 0.2343. The respondents in a further question on the role explained that middle level managers actually interpret the various strategies in a language that operational staff can understand and this brings about buy in and motivates staff**.** Middle level managers reinterpret and adjust strategic events as responses as events unfold during implementation of strategic change programs.

4.4.6 Change agents

The respondents were asked to rate on the likert scale the role of middle level managers as change agents during implementation of strategic change in their institutions. According to findings contained in Table 4.4 the mean score of the responses was 4.54 which meant that the respondents agreed that middle level managers play the role of change agents during implementation of strategic change. The responses had a standard deviation of 0.0046 implying that there was a high level of consensus among the respondents on this role. The respondents noted that middle level managers play the role of change agents by coming up with creative methods to deal with resistance to the change and taking the lead in driving the entire change process. The respondents noted that middle level managers championed the strategic change programs thereby reducing resistance to change. Middle level managers motivate staff to implement the change programs and hence acted as catalysts for strategic change by reassuring staff of the positive attributes of the new way of doing things.

4.4.7 Leaders

The respondents were requested to rate on the likert scale the role of middle level managers' play as leaders during implementation of strategic change in their institutions. According to findings contained in Table 4.4 the responses on this role had a mean score of 3.69 which implied that the respondents agreed that middle level managers play the role of leaders in the implementation of strategic change. The standard deviation of the responses on this role was 0.6203 which implied that there was a consensus among the respondents on this role. The respondents noted that leadership skills are critical during implementation of strategic change. Middle level managers' influence subordinates to support and implement the strategic change programs. They also offer guidance and direction to operational staff during implementation of strategic change and enable the organization to achieve the change objectives and goals. As leaders middle level managers use the right metrics for evaluating performance and recruit people to manage areas in which they themselves are not experts. Middle level managers inspire and influence operational staff to implement strategic change activities willingly.

4.4.8 Politicians

The respondents were requested to rate whether middle level managers play the role of politicians during implementation of strategic change. According to findings contained in Table 4.4 the responses on this role had a mean score of 2.33 which implied that the respondents disagreed that middle level managers play the role of politicians in the implementation of strategic change. The standard deviation of the responses on this role was 0.1412 which implied that there was a consensus among the respondents on this role.The respondents indicated that middle level managers may not require well developed political skills during implementation of strategic change. The respondents indicated that even though political skills at times are necessary to manage the various interests of the diverse interest groups, they were not a major determinant in the success of strategic change programs. They indicted that strong interpersonal skills were more crucial as they enabled a manager to interact with key stakeholders and drive the change process. The respondents also noted that middle level management does not play the role of politicians during implementation of strategic change because resources are normally provided for all the activities and most strategic change programs have implementation plans that guide the whole implementation process.

4.4.9 Communicators

The respondents were requested to rate on the likert scale the role of middle level managers as communicators during the implementation of strategic change in their institutions. The aim of the question was to determine whether middle level managers update operational staff, top management and other interested stakeholders on the progress of strategic programs during implementation. According to findings contained in Table 4.4 the responses recorded a mean score of 4.13 which meant that the respondents agreed that middle level managers play the role of communicators in the implementation of strategic change. The responses had a standard deviation of 0.6133 implying that there was a consensus among the respondents that middle level managers play the role of communicators in the implementation of strategic change. The respondents noted that middle level managers are duty bound to communicate to the operational staff the expectations of the top management on them as concerns the strategic change programs through established communication channels of mainly emails, memos, circulars etc. Middle level managers also prepare progress reports on strategic change programs that they are charged with the responsibility of overseeing their implementation for top management. In the progress reports, they bring out challenges that they face and also show how resources placed in their care are utilized.

4.4 Discussion on findings and results

The research found that middle level managers play an important role during implementation of strategic change in development finance institutions in Kenya. One of the key roles that they play includes the role of implementers. Middle level managers deploy resources proactively during implementation. They also draw work plans and direct implementation of strategic change activities. Other findings were that middle level managers play the role of sense makers in that they provide coaching, counseling and guidance to staff during implementation of strategic change to ensure they implement the change according to specifications. They inspire staff in departmental meetings which reinforce the new organizational direction being championed by a new strategic change. Middle level managers play the role of interpreters in that they interpret strategic change literature and messages in a language understandable to operational staff and this prevents ambiguity which creates confusion and suspicion. Middle level managers also act as a bridge between top level managers and operational staff. They listen to concerns from operational staff and then pass to top management who then act on them. This helps to reduce resistance to the strategic change and improves chances of success.

Middle level managers as advisors during implementation of strategic change provide important input to top management on various aspects when they are formulating strategic change to improve on the success rate. Middle level managers also implement the change programs that have been formulated by top management. They draw the work programs, allocate resources and manage performance. Middle level managers also play the role of leaders during implementation of strategic change. It is the work of middle level managers to inspire operational staff to embrace the changes and take them positively. Middle level managers as communicators prepare regular progress reports that update stakeholders on the progress of the change activities to top management to ensure they continue getting their support and funding. Middle level managers as change agents champion the whole change process and act as principle supporters of the new change values thereby enhancing success during implementation by managing resistance to the strategic change. The respondents however felt that middle level management does not play the role of politicians during implementation of strategic change. This is because resources are normally provided for all the activities and most strategic change programs have implementation plans that guide the implementation process.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introductions

This chapter contains the summary of the findings obtained from the respondents, conclusions made and recommendations for policy and theory as relates the topic of the study. The researcher evaluated the findings and gave recommendations he deems necessary. In conclusion the chapter contains the findings, recommendations for policy and theory and recommendations for future research on the role of middle level managers in the implementation of strategic change and other related issues. The researcher also gives limitations that he encountered during the study.

5.2 Summary of findings

The study identified only one objective which was to investigate the role of middle level management in the implementation of strategic change in development finance institutions in Kenya. The research found that middle level managers play several important roles during implementation of strategic change in development finance institutions in Kenya. The research study found that middle level managers play the role of implementers, sense makers, bridge, advisors, interpreters, change agents, leaders and communicators in the implementation of strategic change in development finance institutions in Kenya.

5.2.1 Implementers

The respondents were requested to rate on the likert scale the role of middle level managers as implementers in the implementation of strategic change in development finance institutions in Kenya. The responses achieved a mean score for the role of implementers of 3.50 which meant that the respondents agreed that middle level managers play the role of implementers during implementation of strategic change in their institutions. The standard deviation of the responses was 0.0740, which was less than 1 and which therefore implied that there was a strong consensus among the respondents that middle level managers play the role of implementers during implementation of strategic change. The respondents noted that implementation of strategic change stands at the core of competitiveness making middle level managers lynchpins to organizational success. As implementers middle level managers are versatile and adaptable. They design work plans which are used to implement the strategic change activities. Middle level managers as implementers manage performance and motivate operational staff towards achievement of strategic change objectives and goals.

5.2.2 Sense makers

The respondents were requested to rate on the likert scale the role of middle level managers as sense makers in the implementation of strategic change in development finance institutions in Kenya. The mean score of the responses on the role of sense makers was 3.60 and the standard deviation of the responses was 0.1262. These findings meant that the respondents agreed that middle level managers play the role of sense makers during implementation of strategic change. There was also a consensus among the respondents on the role as shown by the standard deviation on the responses of 0.1262. The respondents noted that middle level managers explain the strategic change objectives, goals and programs to departmental staff to get their support and commitment. Middle level managers provide coaching, counseling and guidance to staff during implementation of strategic change to ensure they implement the change activities according to specifications. They inspire staff in departmental meetings which reinforce the new organizational direction being championed by the strategic change. Sense making allows a process by which the self-aware and reflexive middle level manager negotiates the meanings and ascendant notions of common sense related to planned strategic change and cascade downwards. As sense makers they establish inter subjective dialogue during an in-the-moment disruption in understanding of a work flow.

5.2.3 A bridge

The respondents were requested to rate on the likert scale the role of middle level managers as a bridge in the implementation of strategic change in development finance institutions in Kenya. The responses achieved a mean score of 3.93 which means that the respondents agreed that middle level managers play the role of a bridge during implementation of strategic change. The standard deviation of the respondent's views was 0.5597 which meant that there was a consensus among the respondents on this role of middle managers during implementation of strategic change. Middle level managers play the role of a bridge between the operational staff in departments and the top management. Middle level managers are in constant interaction with the customers, suppliers workers etc. They are therefore in day to day contact with all aspects of the external environment. They escalate concerns of the actors in the external environment to the top management for further action. Middle managers also provide a crucial relevance bridge between top management and operational staff by translating change initiatives into a message that is locally relevant. They also escalate operational staff concerns to top management for resolution during implementation of strategic change.

5.2.4 Advisors

The respondents were requested to rate on the likert scale the role of middle level managers as advisors in the implementation of strategic change in development finance institutions in Kenya. The responses achieved a mean score of 3.60 and the respondent's ratings had a standard deviation of 0.2010. This means that the respondents agreed that middle level managers play the role of advisors in the implementation of strategic change in their institutions. The standard deviation (0. 2010) implied that the respondents achieved a consensus that middle level managers play the role of advisors in the implementation of strategic change. The respondents noted that middle level managers are incorporated or consulted in the strategy formulation process and setting of work plans which gives them an opportunity to advise top management on the best way to implement strategic change with little resistance. Most respondents noted that the top down approach to implementation of strategic change is one of the reasons that lead to the failure of strategic change during implementation. The respondents noted that middle level managers when fully incorporated escalate their concerns to top management to create an atmosphere of an all-inclusive strategic change supported by all.

5.2.5 Change agents

The respondents were requested to rate on the likert scale the role of middle level managers as change agents in the implementation of strategic change in development finance institutions in Kenya. The mean score of the responses on the role of change agents was 4.54 which showed that the respondents agreed that middle level managers play the role of change agents during implementation of strategic change. The responses had a standard deviation of 0.0046 implying that there was a high level of consensus among the respondents on this role. As change agents middle level managers are available and conspicuously visible during implementation of strategic change. They are then able to hasten the implementation process by managing resistance to change thereby enhancing its success. Middle level managers motivate staff to implement the change programs and hence act as catalysts for strategic change by reassuring staff of the positive attributes of the new way of doing things.

5.2.6 Leaders

The respondents were requested to rate on the likert scale the role of middle level managers as leaders in the implementation of strategic change in development finance institutions in Kenya. The responses on this role had a mean score of 3.69 which implied that the respondents agreed that middle level managers play the role of leaders in the implementation of strategic change. The standard deviation of the responses on this role was 0.6203 which implied that there was a consensus among the respondents on this role. Middle level managers' influence subordinates to support and implement the strategic change programs. They also offer guidance and direction to operational staff during implementation of strategic change and enable the organization to achieve the change objectives and goals. As leaders middle level managers use the right metrics for evaluating performance and recruit people to manage areas in which they themselves are not experts. Middle level managers inspire and influence operational staff to implement strategic change activities willingly.

5.2.7 Politicians

The respondents were requested to rate on the likert scale the role of middle level managers as politicians in the implementation of strategic change in development finance institutions in Kenya. The responses on this role had a mean score of 2.33 which implied that the respondents disagreed that middle level managers play the role of politicians in the implementation of strategic change. The standard deviation of the responses on this role was 0.1412 which implied that there was a consensus among the respondents on this role.The respondents indicated that middle level managers may not require well developed political skills during implementation of strategic change. The respondents indicated that even though political skills at times are necessary to manage the various interests of the diverse interest groups, they were not a major determinant to the success of strategic change programs. They indicted that strong interpersonal skills were more crucial as they enable a manager to interact with key stakeholders and drive the change process. The respondents also noted that middle level management does not play the role of politicians during implementation of strategic change because resources are normally provided for all the activities and most strategic change programs have implementation plans that guide the whole implementation process.

5.2.8 Communicators

The respondents were requested to rate on the likert scale the role of middle level managers as communicators in the implementation of strategic change in development finance institutions in Kenya. The responses recorded a mean score of 4.13 which meant that the respondents agreed that middle level managers play the role of communicators in the implementation of strategic change. The responses had a standard deviation of 0.6133 implying that there was a consensus among the respondents that middle level managers play the role of communicators in the implementation of strategic change. The respondents noted that middle level managers are duty bound to communicate to the operational staff the expectations of the top management on them as concerns the strategic change programs through established communication channels of mainly emails, memos, circulars etc. Middle level managers also prepare progress reports on strategic change programs that they are charged with the responsibility of overseeing their implementation for the top management. In the progress reports, they bring out challenges that they face and also show how resources placed in their care are being utilized.

6.0 Conclusion

From the foregoing it may be concluded that middle level managers play various roles during implementation of strategic change in development finance institutions in Kenya. One of the most notable of these roles is that middle level managers play the role of implementers of strategic change activities. It may be noted that middle level managers are the ones who oversee the actual implementation of the strategic change programs at the root/base of the organization. They are the ones who present progress reports to top management and lobby for additional resources in the event of cost overruns during implementation of strategic change programs. Middle level managers are the ones for example who nominate those who are to be retrenched in their departments and regions. Middle level managers may also be said to be sense makers and interpreters in that they coach and guide staff on the new change programs. They also make sense of the implementation literature and programs and explain the same to operational staff who may doubt to reduce resistance to the strategic change. Middle level managers also act as a bridge between operational staff and top management. They bring to the knowledge of top management the concerns of the operational staff and also make known to the operational staff the views of top management on their performance.

Middle level managers also act as change agents in that they champion the whole change process to the operational staff by promoting a positive outlook towards the new changes. They therefore manage resistance to change and increase the probability of success of the strategic change programs. They also play the role of leaders by inspiring subordinate staff to behave and act in a manner consistent with the new strategic change programs. Middle level managers play the role of communicators in that they provide information to top management on the progress of the strategic change programs and they must also inform subordinates about top management's sentiments on the strategic change implementation process. Lastly middle level managers may not need to be politically savvy during implementation of strategic change since top management allocates sufficient budgets to oversee implementation and also provide implementation plans that must be adhered to.

6.1 Recommendations for policy and theory

From the research study findings it is recommended that middle level managers be recognized as the cog in the wheel of implementation of strategic change. Organizations could be shooting themselves in the foot by sidelining middle level managers during implementation of strategic change. The respondents actually noted that lack of buy in from middle level managers has contributed to the failure in implementation of strategic change programs in the past.

6.1.1 Implementers

Middle level managers are critical as implementers of strategic change. Consultants may be ill equipped to implement strategic change programs since there may not be enough consultants to oversee implementation in each department on a daily basis. The operational staff members are also likely to view consultants with suspicion than they would their departmental heads. It is therefore important to involve middle level managers in the implementation of strategic change.

6.1.2 Sense makers

Top management should explain the various strategic change programs and literature to middle level managers and get them to buy in before rolling out the strategic change in the entire organization. This is because as sense makers middle level managers will be obliged to answer all questions from operational staff on the strategic change programs. If they are not knowledgeable on the strategic change literature, objectives, goals and programs they might end up giving contradictory information which will create tension and suspicion and increase resistance to the strategic change.

6.1.3 Bridge

Middle level managers as bridges between operational staff and top management including other stakeholders need to have direct access to the main decision making individual or organ. This will enable him to obtain authoritative updates on issues raised by operations staff. If he is unable to reach the chief accounting officer then he will be unable to provide adequate response to concerns raised by the various stakeholders including operational staff members.

6.1.4 Advisors

It should be noted that middle level managers understand the skills profile and capabilities of individual operational staff members. They are therefore more competent to allocate duties in a manner that will guarantee success than would outside consultants. Middle level managers should be incorporated in the whole strategy formulation process since they understand customers concerns better; they know what can be easily accepted by staff etc.

6.1.5 Interpreters

It is crucial that middle level managers are involved in the whole strategic change formulation and implementation process. This is because they will be charged with the responsibility of interpreting the strategic change to operational staff to enhance implementation and encourage buy in.

6.1.5 Change agents

As change agents middle level managers need to be supported in terms of financial and other resources. They are the ones who overcome resistance to change as they are more trusted by operational staff than top management. Top management should therefore incorporate them in strategic change formulation and setting of goals and objectives. As change agents they are the source of competitive advantage and as such they must be made knowledgeable about the strategic change way before the operational staff so that they can fully explain the strategic change to other staff members from a point of knowledge.

6.1.6 Leaders

No strategic change program can succeed without proper leadership. Organizations should train middle level managers on leadership to enable them play the role of leaders during implementation of strategic change. Leaders influence followers to act in a manner consistent with the change process. Without proper leadership implementation of strategic change can never succeed.

6.1.8 Communicators

Middle level managers are supposed to prepare progress reports detailing progress in implementing specific activities in the strategic change programs. These reports are normally targeted at top management who interrogate them and give their input. Middle level managers should therefore be trained on report writing to improve the quality of reports that they prepare regularly. Middle level managers should also be made aware of all the deliverables in the strategic change program and their respective timelines. This will enable them to organize their work plans well to ensure they meet the expectations of top management.

7.1 Limitations of the study

The study faced a number of challenges. The first limitation is that the findings accuracy was limited to the extent to which respondents were honest and objective in answering the questions. The study was also limited only to the five development finance institutions in Kenya and may not truly represent the roles of middle level managers in the implementation of strategic change in companies in other sectors of the economy. Many respondents may have been unable to give more candid and honest responses due to fear of backlash from their institutions top management in the event they got to know how they answered the questions.

8.0 Recommendations for further research

The researcher recommends that a replicate research be carried out to investigate the role of middle level management in implementation of strategic change in other institutions in other sectors of the economy. This is because development finance institutions in Kenya are primarily government controlled and owned and has cultures that are limited or unique to government institutions. The researcher also recommends that new research be carried out to find out the relevance of middle level managers in achievement of long term organizational sustainability in Kenya.

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APPENDIX I: QUESTIONNAIRE

Please read this questionnaire carefully and give appropriate answers by ticking the boxes and / or filling the blank spaces. Do not write your name or sign anywhere in this questionnaire

Kindly note that the information you will volunteer in this questionnaire will be treated with at most confidentiality and is purely for academic purposes.

SECTION A: ROLE OF MIDDLE LEVEL MANAGERS IN THE IMPLEMENTATION OF STRATEGIC CHANGE IN YOUR ORGANIZATION

1) Have you participated in implementation of strategic change in your organization?

Yes ☐ No ☐

2) Explain briefly the role that you played……………………………………………

……………………………………………………………………………………………

3) How many times has your organization implemented strategic change?......................

…………………………………………………………………………………………….

4) During the implementation of strategic change in your organization, middle level managers participate in the following roles;

In a range of 1 to 5 where; 5-strongly agree, 4 - agree, 3 -don't know, 2-disagree and 1-strongly disagree (please tick in the appropriate box)

ROLE	**1**	**2**	**3**	**4**	**5**
Implementers					
Sense Makers					
A bridge					
Advisors					
Interpreters					
Change agents					
Leadership					
Politicians					
Communicators					

5) In each role above kindly provide a brief explanation on how they carry out the roles (where applicable).

i) Implementers--

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ii) Sense makers--

----

iii) A bridge--

----

iv) Advisors---

----

v) Interpreters--

----

vi) Change agents---

----

vii) Leaders---

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viii) Politicians---

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ix) Communicators-- --------

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6) What other roles that middle level managers play in your opinion have been omitted in the table above (explain briefly)..

…………………………………………………………………………………………

…………………………………………………………………………………………

……………………………………………………………………………

7) What in your opinion is the main reasons for failure of strategic change programs during implementation in your organization?...

…………………………………………………………………………………………

………………………………………………………………………………………

SECTION B-GENERAL INFORMATION

a) Gender; Male ☐ Female ☐ **b)**Age; 18-25 ☐ 26-35 ☐ 36-45 ☐ 46 - 59 ☐

c) Highest Education level attained:

Diploma Level/Other Professional Qualification ☐

Bachelor Degree ☐

Master s Level ☐

Phd Level ☐

b) How long have you worked for your organization in the current position?

Under 5 years ☐ 6-10 years ☐ 11-20 years ☐ Over 21 Years ☐

THANK YOU

APPENDIX II: LIST OF DFIs IN KENYA

1) Industrial and Commercial Development Corporation-----(ICDC)
2) Kenya Tourist Development Corporation-----------------------(KTDC)
3) Agricultural Finance Corporation----------------------------------(AFC)
4) Industrial Development Bank Capital –--------------------------(IDB Capital)
5) Kenya Industrial Estates--(KIE)