MANAGING STRATEGIC CHANGE AT PACT KENYA

CHRISTOPHER WAKUBE WATAKA

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

NOVEMBER 2013
DECLARATION

This research project is my original work and has not been previously presented for a degree or examination in this or any other university.

Signed: ………………………………………. Date: …………………..

Christopher Wakube Wataka

D61/P/8592/2004

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

Signed: ………………………………………. Date: …………………..

Prof. Evans Aosa

Professor and Associate Dean

School of Business, University of Nairobi
DEDICATION

This research project is dedicated to my family members especially my mother Julieta Wanja who started me off in this journey of learning and discovery, my lovely wife Peninah Wanjiru who has supported me all through physically and spiritually, and our two beautiful children Shanell Wanja and Ryan Wataka who are my motivation to keep on growing.
ACKNOWLEDGMENTS

I thank the Almighty God for enabling me to start and complete this Master of Business Administration (MBA) journey.

I am grateful to my supervisor Prof. Evans Aosa who not only introduced me to strategic management but also ensured that I produced a good research document by giving useful critique and guidance. I am grateful to Prof. Martin Ogutu who taught me managing strategic change which inspired me to do this project. I am grateful to the administration at the University’s Board of Post Graduate studies for granting me additional time to complete my studies after unavoidable breaks.

I am grateful to my classmates over the years, my work colleagues and friends who helped me in various ways to understand the concepts and through their encouragement. I am also grateful to the management and staff of Pact Kenya who availed to me information that enabled me to finish this project.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>viii</td>
</tr>
<tr>
<td><strong>CHAPTER ONE: INTRODUCTION</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background of the study</td>
<td>1</td>
</tr>
<tr>
<td>1.1.1 Managing strategic change</td>
<td>2</td>
</tr>
<tr>
<td>1.1.2 Civil society organizations in Kenya</td>
<td>3</td>
</tr>
<tr>
<td>1.1.3 Pact Kenya</td>
<td>5</td>
</tr>
<tr>
<td>1.2 Research problem</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Research objective</td>
<td>8</td>
</tr>
<tr>
<td>1.4 Value of the study</td>
<td>8</td>
</tr>
<tr>
<td><strong>CHAPTER TWO: LITERATURE REVIEW</strong></td>
<td>10</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>10</td>
</tr>
<tr>
<td>2.2 Theoretical foundations of the study</td>
<td>10</td>
</tr>
<tr>
<td>2.3 Strategic management</td>
<td>14</td>
</tr>
<tr>
<td>2.4 Change management</td>
<td>15</td>
</tr>
<tr>
<td>2.5 Emergent change and planned change</td>
<td>16</td>
</tr>
<tr>
<td>2.6 Types and paths of change</td>
<td>17</td>
</tr>
<tr>
<td>2.7 The change process</td>
<td>19</td>
</tr>
<tr>
<td>2.8 Key elements in managing strategic change</td>
<td>22</td>
</tr>
<tr>
<td>2.9 Resistance to change</td>
<td>23</td>
</tr>
<tr>
<td>2.10 Managing resistance to change</td>
<td>25</td>
</tr>
<tr>
<td><strong>CHAPTER THREE: RESEARCH METHODOLOGY</strong></td>
<td>27</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>27</td>
</tr>
<tr>
<td>3.2 Research design</td>
<td>27</td>
</tr>
<tr>
<td>3.3 Data collection</td>
<td>27</td>
</tr>
<tr>
<td>3.4 Data analysis</td>
<td>28</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Kanter's commandments vs Kotter's steps................................................................. 22
ABSTRACT

Managing strategic change differs from one organization to another because of differences in context and the people involved in the change. While the process of developing a competitive strategy is an analytical one requiring carefully appraisal of the environment vis-à-vis the internal capabilities of the organization, the process of managing the expected strategic change is somewhat different. Managing strategic change is a socio-political process that is more concerned with managing people’s expectations and understanding of how anticipated strategic changes will affect them. Managing strategic change is dependent largely on how the leadership of an organization communicates, motivates and gets buy in from staff to carry out the required change. Civil society organizations (CSOs) like any other entities are faced with similar challenges of managing strategic change. Rapid changes in the operating environment have led many CSOs to develop and execute strategic plans aimed at making them competitive. The CSOs have then had to contend with managing strategic change within their organizations as they sought to implement new visions. This study aimed at examining how Pact Kenya a CSO managed its strategic change process. The research employed a case study approach so as to get as much information as possible. The objective of this research was to determine how strategic change has been managed at Pact Kenya. In order to achieve the objective, the researcher held six in-depth interviews with key respondents. The study revealed that Pact Kenya as part of the Pact global family had encountered challenges in trying to manage strategic change initiated at the organization’s parent headquarters. The challenges were caused by among other things the failure of the headquarters management to fully involve staff and managers from the county offices including Kenya and lack of adequate communication on the change process. This led to suspicion and apathy among staff on the proposed changes. The study was limited by time constraints which delayed its completion. It was carried out at a time when Pact Kenya was responding to two major calls for proposals hence it was difficult to get staff and managers to avail time for discussions leading to postponements of appointments. The researcher recommends that more studies on how CSOs in Kenya manage strategic should be carried out as well as comparative studies on how this is managed in the private sector vis-à-vis the non-profit sector. Further studies are also required on the role of managers in managing strategic change in Kenya so as to add to the pool of existing knowledge.
CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The key to successful strategic management in any organization lies not only on how well competitive strategies are formulated, but more importantly on how the process of strategic change is managed. Organizations are motivated to undertake strategic change so as to ensure they remain competitive in the industries they operate. The organizations thus formulate strategies which they outline in their strategic plans and seek to implement these new strategies to be in line with the changing external dynamics. In order to successfully execute the new strategy, a leader of an organization must communicate the new vision to the employees who are the engines that will drive the strategy and undertake new processes in line with the organization’s vision. At the same time this requires leaders to have soft skills to ensure that they inspire the staff in the process to minimize resistance to change and to encourage new behavior in line with the intended strategy. Graetz (2000) makes an analysis of different authors and concludes by postulating that against the backdrop of increasing globalization, deregulation, rapid technological innovation, shifting social and demographic trends, the primary task of management today is the leadership of organizational change.

Civil society organizations (CSOs) in Kenya have grown over the years as they attempted to complement inadequate services offered by the Government. Some of the areas the civil society organizations have been active in include providing health services, child protection services, environmental protection initiatives, support for good governance and conflict management among many others. The growth in the
scope and numbers of the CSOs has led to competition for a limited number of financial resources provided by a small number of donors mostly from western countries. This has in turn forced CSOs to develop competitive strategies to ensure they survive in their sectors. Development of strategies has only been one side of the coin, the other side has involved ensuring the process of managing strategic change is done in the best way possible so that employees, beneficiaries and donors embrace and enjoy the positive results of the new strategies in line with their respective interests.

1.1.1 Managing strategic change

Managing strategic change can be viewed as the second and most crucial step after the development of an organization’s strategy. While strategic planning is concerned with developing competitive strategies that the organization will employ to survive a hostile environment, managing this strategic change involves a more subjective process of leading people and inspiring them to be in tune with the new strategies. Managing strategic change is directly related to leadership, since it is leadership that ultimately drives change. As pointed out by Kotter (1999), leadership is not only the development of vision and strategies but the alignment of people behind the strategies while empowering them to make the vision happen despite obstacles. Strategic change is therefore necessary in the life of the organization because changes in the operating environment happen on a daily basis and to remain relevant and efficient, an organization must adapt to these changes or risk becoming obsolete.
Managing strategic change in an organization is both an art and a science. An art because the change agent has to be fully aware of the internal environment and carefully and prudently lead the team to executing the change with minimal resistance. Indeed the most successful change is where the team members feel that they were in charge of the change process all along and that they are the ones who initiated and executed the change. Managing strategic change is a skill and an art. The same view is shared with Burns (2004) who emphasizes that change is a political-social process and not an analytical-rational one. On the other hand managing change is a science since there are models developed to help managers execute successful strategic changes.

However despite the models developed for managing change in organizations, there is no universal way of managing strategic change. As pointed out by Johnson, Scholes and Whittington (2008), no single formula exits for the management of change. This is because the context differs from one organization to another and hence a different approach may be required for each context.

### 1.1.2 Civil society organizations in Kenya

According to the World Bank, the term “civil society” refers to a wide array of non-governmental and not-for-profit organizations that have a presence in public life and which pursue interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. These organizations include: community groups, non-governmental organizations (NGOs),
labor unions, charitable organizations, faith-based organizations, professional associations, and foundations among others (World Bank, 2010).

Civil society organizations (CSOs) are motivated by the desire to promote the wellbeing of individuals and communities without a profit objective. Oster (1995) argues that non-profit organizations often begin with a vision but to survive they must understand the economic and political markets within which they operate. CSOs like any other organizations often have to undergo strategic changes in order to make their work more relevant in their context. The change is also necessitated to a large extent by changes in the operating environment especially due to shifts in donor priorities and more recently, the global economy recession. Managing this strategic change can be challenging in the same way it is for public or private sector organizations since it is motivated by similar objectives and faces similar constraints.

In Kenya, CSOs have grown over the years as they try to bridge the gap between the Government’s provision of basic services and needs with demands from the general population. According to a study by the NGOs Co-ordination Board, in 2009 there were about 6,075 organizations in Kenya registered under the NGOs Coordination Act (NGOs Co-ordination Board, 2009). The study noted that the NGO sector, where a majority of CSOs in Kenya fall under, played a complementary role in providing services and essential facilities to deserving or underserved regions thereby contributing to realization of the social and economic pillars of the country’s Vision 2030 development blueprint. However, the Board noted that the organizations continued to face institutional, financial and programmatic sustainability challenges.
It is these challenges that have forced CSOs in Kenya to explore competitive strategies that will ensure they remain financially viable and sustain their work beyond the limited funding by donors. Further, the CSOs are faced with the challenge of ensuring that they manage any strategic change in the best possible way to achieve their objectives and to meet the satisfaction of all stakeholders involved especially staff, donors and beneficiary communities.

1.1.3 Pact Kenya

Pact is an international non-governmental organization that was founded in 1971 as a membership organization of United States of America private and voluntary organizations (PVOs) to facilitate the distribution of small United States Agency for International Development (USAID) grants to PVOs working in relief and development assistance. In 1992, Pact dissolved its membership structure, revised its by-laws, and established itself as a nonprofit corporation registered in the United States of America. Pact has offices in more than 20 countries in Asia, Eurasia, and Africa including Kenya where it has had a presence since 1998.

In 2009, Pact’s international board recruited a new chief executive officer (CEO) who was entrusted with the task of charting the organization’s strategic direction. This resulted in to the organization developing a new strategic plan in 2010, adopting new strategic areas of focus and realigning the organizational structure to fit the new strategy. Pact developed the following three strategic areas of focus which the organization termed as impact areas; health, livelihoods and natural resource management. The organization also identified three approaches to in implementing its
strategic areas of focus namely; capacity development, promotion of effective governance and support provision to emerging markets (Pact, 2012). The CEO together with the senior management staff has been spearheading strategic change at the organization. Pact Kenya is the Kenyan branch of Pact and is in the process of implementing the new strategies developed by Pact globally while adapting them to fit the local Kenyan context.

1.2 Research problem

One of the challenges organizations face is how to manage anticipated strategic changes. Organizations normally undertake strategic planning and then encounter challenges in the process of trying to implement the proposed strategic changes. Johnson et al. (2008) argue that this is because people tend to hold onto old ways of doing things and have a tendency towards inertia and resistance to change. The authors further argue that the differences in context also pose some challenges when implementing strategic changes. Some of the key contextual features they outline include: the power of the change leader to influence change, the time required for the change, the scope of change required and the resources available to implement change among others. All these factors will differ from one organization to another thus the difference in approaches to managing strategic change.

Civil society organizations operate in an environment of uncertainty just as business entities. This is as a result of the competition they face amongst each other to compete for resources especially donor funding and to adopt strategies that make them relevant in the sectors they operate. The external pressures have forced CSOs to adopt and
implement new strategies to respond to the context. A good example of such pressures is the recession experienced in western countries in the recent past that has led to reduced funding for voluntary and non-governmental organizations. Pact Kenya like many other CSOs in the Kenya and Africa faced the same pressures and had to adopt new strategies to respond to the local context and in line with its parent organization.

Various researches have been done on how companies and even public sector institutions such as universities have managed strategic change. The studies have looked at factors impeding strategic change such as resistance and the role of leadership in the process. Abdullahi (2011), who studied managers perception of role of leadership in change management in the mobile telephony industry in Kenya, concluded that leadership was a key in the change management process as leaders are critical in inspiring employee confidence. Nyangisi (2011), who looked at the Strategic Change in the Kenya National Malaria Strategy by the Division of Malaria Control of the Ministry of Public Health and Sanitation concluded that the division in the Ministry of Public health was forced to change its strategic focus to be in line with the new malaria epidemiology, the push for global impact indicators and dwindling donor funds. The studies have made significant contribution to the field of managing strategic change but an apparent gap is the limited number of studies examining how nonprofits such CSOs have managed their strategic change especially in the Kenyan context. This is despite the fact that sometimes it is CSOs who are at the forefront of managing change their organizations as postulated by some authors such as Burnes (2004) who argues that that the notion the private sector is always the leader over the
As pointed out managing strategic change may differ from one organization to another hence the need to study more and more organizations to identify strategies that worked and those that failed in the process of managing strategic change. Civil society organizations (CSOs) like any other organization manage strategic change yet little is documented about the experiences of these organizations. This research examined the approach employed by Pact Kenya to manage strategic change and used it as a basis for generating additional knowledge on how the strategic change process can be managed. How has strategic change been managed at Pact Kenya?

1.3 Research objective

The objective of this research was to establish how strategic change has been managed at Pact Kenya.

1.4 Value of the study

The research will add to the existing body of theoretical knowledge by providing information on how Pact Kenya managed its strategic change process. This will be particularly useful for civil society organizations as it will provide them with knowledge on how they can successfully manage strategic change and achieve their intended vision. The study will also provide useful insights to scholars of strategic management and change management by enabling them to understand better how management of strategic change is done. 
The research will assist managers who are leading change programmes in their organizations to learn from the process of managing change at Pact Kenya. The managers will have an opportunity to adopt successful approaches and avoid mistakes that Pact Kenya committed in its process. It will also help such organizations and managers to develop appropriate policies that will ensure the change programmes achieve their desired objectives. The study will also be useful to Pact as an organization and Pact Kenya in particular as it will provide lessons for future management of strategic change. The importance of this learning is outlined by Senge (1990) who argues that, the organizations that will truly excel are the ones that have the capacity to learn at all levels of the organization.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter reviews various theories put forward by various scholars on how strategic change in an organization should be managed. It examines the differences between strategic management and change management and how both are important for an organization. It also looks at the different types of change that an organization may undergo, paths to change, the change process and how it should be managed. Finally the section outlines some of the key causes of resistance to change and how these can be overcome.

2.2 Theoretical foundations of the study
The study of managing strategic change is founded on the theories underpinning strategic management. Some of the key theories include the competitive forces model, the resource based view and the strategic conflict model. These models are discussed in the following sections and provide a basis on which change management is viewed from a global perspective of strategic management.

2.2.1 The competitive forces model
One of the key theories that underpin strategic management is the competitive forces model. The competitive forces model is based largely on the work of Porter (1980) who formulated the five forces framework of industry competition. He identified the following as the five industry-level competitive forces that determine the inherent profit potential of an industry. The first two are the bargaining power of buyers and sellers; the next ones are the threats of potential substitute products and new entrants,
and finally rivalry among existing competitors (Porter, 1980). The threat of new entrants will depend on the barriers to entry which are the factors which need to be overcome by the new entrants to the industry if they are to succeed. The threat of substitution depends on how easily customers can switch from one product to another alternative. Rivalry on the other hand is seen when firms offer the same products or services to the same customer base. The power of buyers and suppliers will depend on their ability to influence the profit potential of a particular industry (Johnson et al., 2008). According to Burnes (2004), this approach is linked to the contingency theory of organizations which postulates that organizations are open systems whose structure and performance is dependent upon the particular circumstances and situational variables they face and which vary from one organization to another.

While recognizing that the competitive forces model has greatly contributed to the development of strategic management, Burnes (2004) points out that various criticisms have also been leveled against it. Some have viewed the model as too narrow and inflexible hence likely to leave the organization vulnerable to social, technological or economic development that often lead to rapid changes in the market place. Others have criticized the model for ignoring the political nature of organizations and the inability to recognize the importance of socio-political factors in affecting a firm’s performance. Interestingly, an examination of how strategic change is managed in organizations revels that often it is a socio-political process and less of an analytical one thus adding credence to the critics of the competitive forces model.
2.2.2 The resource based view of strategic management

The resource based view of strategic management takes the competitive forces model to a new level by arguing that for a firm to achieve competitive advantage, it needs to deploy unique or superior resources that will allow it to have lower costs or better products (Burnes, 2004). In this case resources are seen to be not only the tangible assets that the firm holds but also the soft assets in the form of skills and capabilities of the staff. Pearce and Robinson (2011) explain that the resource based approach improves upon the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis by examining a variety of different yet specific resources and capacities a firm has and evaluating the degree to which they become basis for sustained competitive advantage. Johnson et al. (2008) point out that supporters of this theory argue that, strategies should be built on the identification of unique capabilities of an organization. Opportunities should then be sought to allow the organizations to exploit these capabilities so as to achieve competitive advantage.

Burnes (2004) provides a summary of the main criticisms to this school of thought such as the lack of empirical support as well as complex and ambiguous definition of resources. He goes further to quote other critics who have argued that in the short run because firms cannot easily acquire or develop resources then they are stuck with the ones they have which can be a blessing or a curse. The biggest criticism according to him is from population ecologists who argue that because competencies take so long to develop and environments change so quickly, any beneficial match between an organization’s competences and its environment is likely to be accidental rather than deliberate actions by its managers.
It is this resource based view of strategic management that some authors of managing strategic change have sought to build on, such as Carnall (2007) who argues that the success in change management situations is derived from leverage and connectivity. Whereas change seeks to leverage existing resources and capabilities and where there is a higher connection between existing resources and processes put to manage strategic change then there is a higher likelihood of success in the process. This argument augments the importance of the resource based view in strategic management and particularly in managing strategic change.

2.2.3 The strategic conflict model

This theory introduces to the business world a more militaristic approach to strategic management. Central to this model is the view that a firm can achieve increased profits by influencing the actions and behavior of its rivals and thus in effect manipulate the market environment. The model incorporates the role of strategic signaling as important mechanism for influencing and intimidating rivals. It is based on an analysis of what a firm thinks the other will do when confronted with a particular situation. From a strategic conflict perspective, an organization’s ability to increase its profits is dependent on its ability to outwit, out-bluff and out-maneuver its rivals (Burnes, 2004).

The theory however has several limitations, given it does not take into account the wide range of internal and external factors that contribute to an organization’s competitiveness then it usefulness maybe limited. Burnes (2004) concludes that strategic conflict may be more appropriate in situations where there is an even balance
between the rivals in the industry e.g. Coca-Cola and Pepsi companies, rather than situations where one organization has substantial competitive advantage over its rivals e.g. Microsoft company.

2.3 Strategic management

An organization’s strategy may be defined as the game plan management uses to mark out a market position, conduct its operations, attract and please customers, compete successfully and achieve organizational objectives (Thompson and Strickland, 2003). It can also be defined as the alignment of an organization to its external environment, “The essence of formulating a competitive strategy is relating a company to its environment” (Porter, 1980, p. 3).

According to Thompson and Strickland (2003), strategic management consists of five interrelated managerial tasks. The first is forming a strategic vision of where the organization is headed so as to provide a long term direction. The second involves setting objectives which involves converting the strategic vision into specific performance outcomes for the company to achieve. The third involves crafting a strategy to achieve desired outcomes while the forth involves implementing the selected strategy efficiently and effectively. The fifth and last task involves evaluating performance and initiating corrective changes in the previous four processes in the light of actual performance or experience or changing conditions. As explained by Ansoff and McDonnell (1990), the end products of strategic management are; a potential for future fulfillment of the organization’s objectives and; an internal
structure and dynamics capable of continued responsiveness to changes in the external environment.

Johnson et al. (2008) argue that strategic management faces many challenges as it requires managers to develop strategies that are appropriate to specific circumstances of an organization yet these circumstances keep on changing over time. The other challenge relates to the ability to reconcile the conflicting pressures from the business environment, an organization’s strategic capability and the expectations of stakeholders.

### 2.4 Change management

Change management is not a distinct discipline with rigid and clearly defined boundaries rather it draws from a number of social sciences and disciplines among them management, education and learning, and psychology (Burnes, 2004). Strategic management helps us to decide what to do while change management looks at the process of putting the new strategies into effect (Carnall, 2007). Strategic management comprises means of identifying vision, strategy, business model, and strategic implementation while change management deals with behavior, structure and configurations among other considerations. However both are driven by creativity, adaptability and innovation. The focus of strategic management is environmental uncertainty while that of change management is efficiency and effectiveness.

This experience of implementing the strategy needs to be fed back into the strategy development process hence the crucial link between the strategic thinking and the
change architecture. It is also important to note as pointed out by Mintzberg (1977) that the dichotomy between strategy formulation and strategy implementation can be a false one as it ignores the learning process that often takes place after an intended strategy is conceived.

Rajagopalan and Spreitzer (1997) in their study of strategic change literature identified two different schools that have attempted to explain management of strategic change. They labeled the first school the “content” school which they found was more focused on the antecedents and consequences of strategic change. The authors labeled the second school the “process” school which they found laid more emphasis on the role of managers in the strategic change process. From an analysis of the two schools, the scholars noted the importance of the environment and the role of managers in determining successful implementation of strategies. Given that environment and managerial capacity differs from one organization to another, this makes the process of managing strategic change rather subjective and not confined to an objective set of rules.

2.5 Emergent change and planned change

Scholars distinguish emergent change from planned change. In each case the change has to be managed properly in order for the organization to grow. Planned change is a term that was coined by Lewin (1947), to explain change that was consciously embarked upon and planned by the organization (Burnes, 2004). It is a process that consists of diagnosis, action and evaluation and further action and evaluation. According to Lewin (1947) the change agent is a facilitator of the change process who
creates a learning environment that allows those being facilitated to get new insights on themselves and their environment. This theory makes planned change be related to organizational development (OD) which is about how organizations and people in them function (Burnes, 2004).

Emergent change on the other hand consists of continuous, dynamic and contested processes that emerge in an unpredictable and unplanned fashion. Proponents of this school of thought view change as a process that unfolds through the interplay of multiple variables in an organization such as the context, political processes and consultations. For them power and politics play a central role in the process of organizational change (Burnes, 2004). It is the role of power and politics that poses the main point of disagreement between the planned and emergent schools of change.

2.6 Types and paths of change

According to Balogun and Hailey (2008), there are four types of change namely adaptation, reconstruction, evolution and revolution. The four types of change are defined either through the end result they are supposed to achieve or the nature of the change being undertaken. Change can involve either a transformation of the organization or a realignment of the organization. Transformation consists of a change which cannot be handled within the existing paradigm and organizational routines; it entails a change in the assumptions and routine way of doing things in the organization. It involves a change in the strategy, structure, systems, processes and culture. Transformative change can be evolutionary or revolutionary. Evolutionary change is implemented gradually through different stages and interrelated initiatives
while revolutionary change is a fundamental change that occurs through multiple and simultaneous initiatives within a short time.

Realignment is a non-paradigmatic change that does not involve a fundamental change in the way things are done but rather involves reappraisal of the central assumptions and beliefs within the organization. Realignment may involve either adaptation or reconstruction. While adaptation is implemented gradually through several stages or stages, reconstruction happens in a much faster and dramatic fashion (Balogun and Hailey, 2008).

Rather than look at the various types of changes as distinct Balogun and Hailey (2008) argue that organizational change should be looked at in terms of paths of change. While an organization might have an ultimate goal of achieving transformational change as part of its turnaround, it may lack the resources, skills or finances to achieve the change, conversely the organization might be in such a crisis that and losing a lot of money that it would need to stop the rot before any longer-term change can be effected. Therefore depending on the context of an organization it may be necessary to first undertake an enabling realignment either through reconstruction or adaptation before embarking on longer-term transformation. They conclude that the most popular change path is that of reconstruction followed by evolution.
2.7 The change process

The process of change can be summarized as comprising two elements, namely leaders and followers (Carnall, 2007). Leaders are the ones who signal that change is required, they can sketch pathways to change but without followers no change is possible as the leaders cannot do everything. Needless to say not all followers will embrace change while early adopters will embrace the change right from the start and others will be detractors trying to move people away from the change. Carnall (2007) advices that the leader should use “frame resonance” approach where the leader seeks to direct attention not at description of new values or new behaviors but rather acceptable ideas regarding the organization’s direction of travel. He says that the leaders must aim for quick wins that show progress is being made and that change is possible in the future. The argument here is that adults learn best from experience and any positive feedback generated leads to change being more established as people become more confident about the relevance of the change to their own lives.

Carnall (2007) identifies three characteristics of awareness, capability and inclusion as being necessary conditions for effective change. For the change to be successful those involved must be fully aware about the objective of the change, its objectives and their role. Again given that this would require new necessary capacities to handle new tasks and work situations, they must feel that they can cope with the new situation and finally they must feel included in the change process.

The role of the organization’s chief executive in implementing the strategy is crucial, “The chief executive officer (CEO) wears the mantles of chief direction setter, chief
objective setter, chief strategy maker, and chief strategy implementer” (Thompson, Strickland and Gamble, 2007, p. 35). That is why it is very important that the CEO communicates effectively to the whole team the importance of the anticipated change due to the change in strategy. Heller (1998) explains that a change programme can only be as good as its execution and that communication is very vital in this process. Indeed he goes on to argue that the worst form of communication is where the staff learn of changes from outsiders such as suppliers and the media. The communication role should also be completed with the leader’s own actions. “A leader serves as a pathfinder or scout while demonstrating that change is possible, and as a servant and a guide while facilitating the progress of others through the transition” (Elrod II and Tippet, 2002, p. 17).

Communicating change might involve a variety of methods including training workshops, to team meetings, bulletins and problem solving sessions. At the same time the leader should identify dedicated followers who can inspire others and make the change process fast; these are the change agents. A change agent can be defined as “an enthusiast for change who can pass the enthusiasm on to others, and so takes pivotal responsibilities in a change programme” (Heller, 1998, p. 46). The change agents will act as conduits for delegation as well as provide feedback to the leader from the people undergoing change.

The transition curve represents the process individuals go through during change. Balogun and Hailey (2008) identify seven stages in the transition curve. In the first stage individuals experience shock, when they encounter the need for change and this
can lower their self-confidence. The second stage involves denial where the individuals try to rationalize the change as not really involving a significant change for themselves. As a result their self-confidence could rise again but the denial could also prevent them from moving forward. The third stage is awareness where individuals begin to recognize the need for their personal change. They recognize that old ways of doing things no longer work and this brings with it a drop in their personal confidence. This is followed by the fourth stage of acceptance, where the individuals accept the need to let go of the old attitudes and behaviours and adopt new ones. The fifth stage is testing in which individuals identify with and test out new behaviours leading to better performance in their new roles and this begins to build their confidence. The sixth stage is search, where the individuals assimilates learning from their successes and failures and begin to appreciate why some behaviors work and others do not and finally the seventh stage is integration, which is marked by an integration of new behavior into the everyday of working by individuals. There ceases to be a gap between the individual’s ability to perform and the expectations placed on him or her.

Balogun and Hailey (2008) conclude that individuals pass through the transition stages at different rates and in different ways. They argue that the transition process is both emotional for the people experiencing the change as well as those managing it thus, the need to support both groups during the transition process.
2.8 Key elements in managing strategic change

The researcher identified two well-known scholars of change management i.e. Kanter (1992) and Kotter (1999) to illustrate the process of managing strategic change. The two have been selected because they provide some key ingredients for any successful strategic change. Kanter (1992) developed the 10 commandments of executing change while Kotter (1999) identified 8 steps for successful change (Burnes, 2004). An outline of the two models by the two scholars is given in Table 1.

Table 1: Kanter's commandments vs Kotter's steps

<table>
<thead>
<tr>
<th>Kanter’s 10 commandments</th>
<th>Kotter’s 8 steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Analyze the organization and its need for change</td>
<td>1. Establish a sense of urgency</td>
</tr>
<tr>
<td>2. Create a shared vision and common direction</td>
<td>2. Create a guiding coalition</td>
</tr>
<tr>
<td>3. Separate from the past</td>
<td>3. Developing a vision and strategy</td>
</tr>
<tr>
<td>4. Create a sense of urgency</td>
<td>4. Communicating the change vision</td>
</tr>
<tr>
<td>5. Support a strong leader role</td>
<td>5. Empowering broad-based action</td>
</tr>
<tr>
<td>7. Craft an implementation plan</td>
<td>7. Consolidating gains and producing more change</td>
</tr>
<tr>
<td>8. Develop enabling structures</td>
<td>8. Anchoring new approaches in culture</td>
</tr>
<tr>
<td>9. Communicate, involve people and be honest</td>
<td></td>
</tr>
<tr>
<td>10. Reinforce and institutionalize change</td>
<td></td>
</tr>
</tbody>
</table>

For Kotter (1999), the 8 stages represent a process and not a check list. He emphasizes the need to go through all the stages if one is to successfully manage change. While the two models are different, they both exhibit some similarities. In each case the need to create a sense of urgency is important as this gives impetus for change. Developing a shared vision and common direction for Kanter (1992), can be equated to, the development of a vision and strategy by Kotter (1999). Both scholars emphasize the need for communicating the change vision and involving people. Lastly, they stress the need for reinforcing the change or anchoring the new approaches in a new organizational culture. These elements provide guidance to managers and leaders who aim at executing successful strategic change at their organizations.

2.9 Resistance to change

Resistance to change is a common human phenomenon that managers and leaders who are facilitating strategic change need to be aware of and plan to overcome. There is a human inclination to maintain status quo even when doing so leads to declined productivity or even unresponsiveness to the changing environmental context. Many years of doing the same thing over and over, often leads to comfort zones that might be difficult to change. Cole (2000) quotes Lewin (1947) who develops this idea further with his notion of “force field theory” that suggest all behavior is as a result of an equilibrium between two sets of opposing forces that he termed “driving forces” and restraining forces”. In order to effectively manage change once has to be aware of the two forces and find ways of dealing with restraining forces.
De Val and Fuentes (2003) citing various authors have postulated that reasons for the failing in many change initiative lies in resistance to change. Quoting Ansoff (1990), they argue that resistance to change introduces costs and delays to the change process. Further they note that resistance is difficult to anticipate, but still requires that it be taken in to consideration. De Val and Fuentes equate resistance to change to inertia but argue that the two are not negative concepts since according to them change is not inherently beneficial to organizations. They explain that sometimes the resistance helps managers to identify factors that might not have been properly considered in the change process.

Based on research they conducted from 86 respondents in a sample of 1,800 Spanish companies, De Val and Fuentes (2003) noted that resistance to change is higher in strategic changes rather than evolutionary ones. Deep rooted values were found to be the highest cause of resistance in both strategic and evolutionary changes but to a greater extent in the former than the latter. Other key sources of resistance included different interests between management and employees, communication barriers, organizational silence and capabilities gap. Von Glinow and McShane (2008) examined a case of the United States Federal Bureau of Investigations (FBI) to illustrate this point. Following the 1993, World Trade Center attack in the United States, the FBI had decided to refocus itself from a law enforcement agency (solving crime) to a proactive domestic intelligence agency (preventing terrorism). Yet years later, a government assessment report concluded that resistance from FBI agents had hampered this change process. “…FBI employees and manages are unable or unwilling to change because solving crimes (rather than intelligence gathering) is
burned into their mindset, routines, career paths, and decentralized structures” (Von Glinow and McShane, 2008, p. 489).

2.10 Managing resistance to change

Resistance to change is a difficult phenomenon to deal with as it involves understanding the behavior of staff and why they react negatively to seemingly positive and progressive steps to making the organization grow. De Val and Fuentes (2003) recommend that managers should pay attentions to the key sources of resistance and find ways of dealing with these to reduce the inertia. For example, they suggest that training would be a good tool to surpass communication difficulties and thus avoid resistance caused by communication barriers as well as bridge any capacity gaps.

However, in some cases the resistance to change can force the leadership to remove those staff who refuse to adopt and adapt to the new changes. Scott-Villiers (2003) gives the example of Action Aid an international NGO, to demonstrate how changes can affect staffing: “The new strategic direction was understood and agreed by the majority of staff, particularly those at the top. Those who didn’t agree were forced out or left.” (Scott-Villiers, 2003, p. 243). Scott-Villiers concludes that organizational change is born out of tension and is best when it seeks to align purpose with action and attunes the internal and external environment. He says that it is impossible to avoid conflict, inertia and confusion in the process and hence the need to make use of these forces by being aware of their potential.
Cummings and Worley (2009) state that the first task of the change agent is motivating change, which involves creating a readiness for change among the organizational members even before the change is carried out and hence overcoming their resistance. Bartol and Martin (1991) propose the adoption of the approach by the organizational researcher, Lewin (1947) who visualizes change in 3 steps namely, unfreezing old behavior to create awareness of need for change, changing through learning new behavior and freezing the new behavior to reinforce them. Bartol and Martin explain that this approach is important as it helps managers realize that the unfreezing process is required before individuals are willing to change. They outline the importance of communication and involvement as strategies for dealing with resistance.

Pearce and Robinson (2011) propose that leaders should use whatever means that are available to them to develop the organizational culture in line with new strategies. The role of the leader in reducing resistance to change is summed by Fleming and Senior (2006) who state that reducing or overcoming resistance to change depends on the leader’s ability to be both task oriented as well as relationship oriented to address more individualized resistances to change.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the type of research design that the study adopted, data collection method, key respondents and data collection tools. It also indicates the type of data collected and the data analysis method that was used.

3.2 Research design

A case study research design was used for this research. In a case study, the researcher extracts information from the company’s brochures and reports along with direct observation and interview data from participants (Cooper and Schindler, 2011). The case study is a powerful research methodology that combines individual and group interviews with analysis and observation.

The case study permitted an in depth study of Pact Kenya so as to understand how strategic change was managed in the organization. The case study enabled the researcher to focus on one organization thus critically examining how the process of managing strategic change was done and to identifying pitfalls that similar organizations could face.

3.3 Data collection

The researcher collected qualitative data that indicated how the process of managing strategic change had been carried out at Pact Kenya and the experiences of those involved in the process. Data collection instruments comprised of two interview guides, one for staff and the other for managers. Data was collected by conducting in-
depth interviews with respondents at the offices and also outside their offices. The respondents comprised of senior managers, current and past employees of Pact Kenya who experienced the process of strategic change at the organization.

It was important to collect data from these different categories of respondents so as to ensure that there was a correlation of information and to gauge the differences in the opinions among them. Secondary data was collected by reviewing the organization’s annual reports. The secondary data was used to triangulate some of the information obtained from the primary sources and to enrich the data collected.

3.4 Data analysis

The study generated a lot of qualitative information which was derived from perceptions of both managers and staff on how the strategic change process at Pact Kenya was managed and the outcomes of the process. The data was analyzed using the content analysis method. In content analysis method, the data that may be content analyzed includes transcripts of focus group discussions, transcripts of interviews and open-ended surveys (Cooper and Schindler, 2011).

The data collected was categorized into the emergent themes so as to facilitate analysis and discussion. The emergent themes that the data was classified comprised of the process, challenges and positive outcomes of managing strategic change at Pact Kenya. The results of the research were then compared to the existing theory and empirical studies so as to obtain a correlation of the findings with theory and practice.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section presents and analyzes the results of the research. The aim of this research was to find out how Pact Kenya managed its strategic change process so as to generate knowledge and lessons that can be used by other civil society organizations in managing their strategic change processes. In order to achieve the objective of the research, the researcher conducted in-depth interviews with six respondents who comprised five current staff members of Pact Kenya and one former staff member of the organization.

4.2 Process of managing strategic change at Pact Kenya

Pact Inc. began working in Kenya in 1998 when the United States Agency for Development (USAID) gave the organization a grant to support non-governmental organizations (NGOs) in the Greater Horn of Africa region. In September 2001, Pact Inc.’s Kenyan staff registered a local NGO called Pact Kenya. This NGO was a completely independent entity from Pact Inc. focusing on civil society capacity building, natural resource management, and grant administration. Pact Inc. forged a partnership with Pact Kenya which enabled Pact Inc. to expand its programs in Kenya and the region at a time when Pact Inc. was not registered in Kenya. The two organizations partnered with each other with Pact Inc. receiving grants and providing sub-awards to Pact Kenya to undertake programmatic implementation of the projects. In 2008, Pact Inc. was registered locally as an international NGO under the NGO Coordination Act which provided for a new Board and gave it legal existence. In the
same year, Pact Inc. and Pact Kenya signed a memorandum of understanding (MOU) to formalize how their partnership would be managed.

In 2009 Pact Inc.’s International board in response to changing environmental dynamics recruited a new CEO to replace a previously long serving CEO. The new CEO joined Pact from World Vision and was tasked with ensuring the organization was responsive to the needs to the environment by adopting a new strategic focus. In 2010 Pact Inc. started the process of generating a new strategy which was informed by the increased competition for resources at the international level by CSOs. In February 2011, Pact Inc. completed a two-year process of developing a new strategic plan. The following were adopted as the new strategic thematic areas of focus; health, livelihoods and natural resources management. Local country offices were given a year to adapt the global Pact Inc. strategy to the local context and develop country specific strategies. In Kenya discussions had also started about the confusion created by having two organizations with a similar name and implementing joint projects. In June 2011, the Pact Inc. Kenya country office convened a series of meetings to discuss the implication of Pact Inc.’s new strategy for Kenya and how this could be translated into the Kenyan development context.

In November 2011 after several discussions, Pact Kenya was rebranded to Act! to avoid confusion with Pact Inc. while at the global level it was agreed that Pact Inc. would simply be referred to as Pact with country offices adding the name of the country. Consequently in Kenya the local organization, Pact Kenya became Act! and the international organization, Pact Inc. Kenya Country office became Pact (Kenya
country office) or simply Pact Kenya. This research project focuses on the latter’s approach to managing strategic change. In December 2011, the Pact Kenya country director left and a new country director was recruited in March 2012. The new country director with a team of senior staff developed a draft Pact Kenya strategy basing it on the projects that were being implemented in Kenya while trying to align it to the global strategy, the result was development of three strategic priorities namely; peacebuilding, democracy and governance and land/natural resources management.

4.2.1 Challenges in managing the strategic change process at Pact Kenya

From in depth interviews with staff, former staff and managers several challenges that impeded the successful implementation of strategic change at Pact Kenya were identified. Most of the challenges stemmed from the approach adopted by the management team at Pact head office in Washington DC.

To begin with, it was felt that the management at the Pact head office had adopted a top down approach when initiating the development and implementation of the new strategy. There was minimal consultation with the country offices including Kenya. The strategy was developed by the CEO with his senior management team with little input from the country offices. During the strategy development process a consultative meeting was held in Turkey where Kenya was also represented. However when the strategy came out it was felt that the views of the country offices had been completely ignored. This set the stage for the staff at the country offices to resist some
of the proposed changes. As one respondent in the research explained, it seemed that the consultations held in Turkey were fake and thereby worse than no consultations.

Another aspect that derailed the successful management of the strategic change was poor and inadequate communication. At the start of the strategic planning process there was little communication that was flowing down to the Pact Kenya office. This coupled with the top down approach, fueled a lot of rumors and disquiet. It seemed that the communication flow had only been restricted to a few individuals close to the CEO.

The staff also felt that the process was too rushed with little time given for reflection and discussion. Consequently according to the respondents the strategy failed to focus on the internal strengths of the organizations and instead tried to mirror the strategy of other CSOs who did not have similar approaches to Pact. It was felt that the new CEO and the team guiding the strategy development and implementation had not fully understood Pact.

At the start of the process of strategic change some of the directors at the head office resigned and left while other positions became redundant. This led to rumours among staff that some of them had been forced out leading to tensions being experienced at the Pact Kenya office as with other country offices. It was also noted that the gender equation at the top level was changed, while previously most of the directors were women, the new replacements were mostly men, making the key management positions to be male dominated. There was acknowledgement that some of the
country managers who left had established little “chiefdoms” within the organization and thus felt threatened by the changes. While some of these managers quit and left the organization, others became hostile to the top management at the head office.

The result was a vicious cycle with the local offices complaining of lack of involvement and consideration of local context in the strategic change process, while the top management lamented about the resistance to change from the country offices. Relationships between staff members and top management became strained and efforts had to be made later on to try and repair the broken relationships leading to a loss of both time and money.

The strategic change process was meant to strengthen the organizations position among other CSOs and endear it to donors. However, in some cases the organization lost donor support because some of the country managers who left had cultivated personal relationships with donors who preferred offering support to Pact through the managers they knew. Thus the organization lost funding in the short term even though the focus was strategic.

### 4.2.2 The challenge of cascading Pact global strategy to the local Kenyan context

One of the challenges that arose following the identification of strategic priorities for the organization at the headquarter level, was that some old priority areas of focus the organization was already engaged in had to be dropped for new more “donor attractive” areas. Pact Kenya was one of the country offices that was affected. While
the country office in Kenya was focused on sectors such as peacebuilding and women empowerment, under the new dispensation from the head office these ceased to be strategic priority areas yet they were relevant to the Kenyan context. This led to a dichotomy of strategic priorities between Pact head office in Washington and Pact Kenya. While the headquarters was focused on livelihoods, health and natural resources locally Pact Kenya was undertaking peacebuilding, democracy and governance, women empowerment and natural resources management.

The staff who were not undertaking projects in the newly identified strategic priorities became insecure as they were no longer assured that their jobs would remain relevant in the future. This led to reduced staff morale as such staff began looking for jobs in other organizations.

In 2012, the new country director at Pact Kenya attempted with a group of senior managers to develop a Kenyan specific strategy but the efforts seemed to have been plagued by the sins of the global process. The staff felt they were not adequately involved and some questioned why the process only involved senior staff. The resultant strategy document has remained a draft to date.

4.2.3 Positive outcomes of the strategic change process at Pact Kenya

While the process of managing strategic change at Pact was dogged by some challenges, it also established some positive outcomes. In late 2011 it was agreed that a team would be formed to support the CEO in linking the country offices to the head office in implementing the strategy. This provided a feedback loop making the
process more participatory and channeled the much needed communication from the CEO and head office to the country offices such as Pact Kenya. This albeit late was a corrective mechanism that salvaged the process a bit as Pact Kenya staff became a little more engaged in the process.

One of the most successful actions of managing strategic change at Pact was the rebranding process. This process started one year after the strategy had been developed and unlike the process of formulating the strategy was relatively participatory and hence people felt ownership of the process. Meetings over Skype were held with staff in Kenya and the communications officer from the Kenya office was part of the branding team. In the end the organization came up with a new logo and new colors signaling a new corporate identity. Pact Kenya adopted the logos and corporate colours of the entire organization.

Another positive result of the strategic change process was the development of organizational financial systems. While challenges were being experienced on the human side of implementing the changes, the organization was able to acquire a new financial system that assisted it manage the grants and finances it was receiving. This has made the organization more competitive as a grant management CSO.

4.3 Discussion

The process of managing strategic change at Pact Kenya is comparable to that of other organizations who have attempted to initiate and implement strategic change. The experience also validates some of the developed theories of managing strategic
change as postulated by various scholars and authors. It demonstrates that managing strategic change is both a science guided by key principles but an art as well dependent on the skill of the leader in charge of the change process.

The resistance to change experienced by Pact Kenya staff is typical of the scenario that is created when managers at the helm of an organization proceed with change implementation without building support from staff who are among the key beneficiaries of the strategic change. The Pact Kenya experience reinforces the centrality of leaders and open communication in the process. Comparison can be drawn both in the theoretical realm as well as from empirical evidence as discussed in the next sections.

4.3.1 Comparison with theory

Burnes (2004) pointed out that change is a political-social process and not an analytical-rational one. The experience of Pact and Pact Kenya shows that no matter how well intentioned the development and implementation of new strategies is the most important consideration is getting the good will and buy in of the various stakeholders involved especially the staff. While the new CEO and top management at Pact thought they were coming up with changes meant to enhance the organization’s competitive position, they failed to communicate the vision and carry the other staff along. Consequently the staff at Pact Kenya and other country offices felt the change was being imposed by a group of people who had not understood the organization. Balogun and Hailey (2008), emphasize on the need to mobilize employees before starting the process of strategic change so that individuals may
realize that change is necessary and desirable. This would help curb resistance to change as was experienced at Pact which according to the authors often leads to failure of many change initiatives. Three years down the line employees at Pact Kenya are remotely inspired by Pact’s strategy as it does not represent thematic priorities that they have a passion in. The Pact experience reinforces the conclusion by De Val and Fuentes (2003) who quoting various authors have postulated that reasons for the failing in many change initiative lies in resistance to change.

Kotter (1999) argued that leadership is not only the development of vision and strategies but the alignment of people behind the strategies. In the case of Pact this alignment never happened leaving a chasm between the new leadership of the organization and the people who were to benefit from the new strategies. The organization hopes to remedy this through a review of the strategy in 2013 but some of the staff interviewed pointed out that the lack of involvement at the start of the process in 2011 has made them skeptical to this very day. Ansoff and McDonnell (1990) advise that whenever a strategic change requires significant discontinuities of the culture or power structures of the firm then time and costs will be saved if the management “makes haste slowly”. That is balancing the need for quick implementation of strategic change with the need to slowly ensure that a supportive climate has been built.

4.3.2 Comparison with empirical studies

The case of Pact validates some of the earlier studies by various scholars and authors of strategic management. Mberia (2006) who studied resistance to change in
commercial banks in Kenya concluded that the most common method employed to
tackle resistance to change was communication. In the case of Pact, the resistance to
change could have been better addressed had the leadership facilitated more open and
inclusive communication. This case study also corroborates the study by Abdullahi
(2011) on the mobile telephony industry in Kenya which concluded that leadership is
key in the change management process. Pact’s case study established that mistakes by
the leadership led to a turbulent change programme in the organization.

Change can lead to the loss of staff as experienced by Pact. This is part of the difficult
choices that individuals who work for the organizations as well as the leaders of the
change process have to make. This agrees with the case of Action-Aid an international
organization that was studied by Scott-Villiers (2003) where the majority of the staff
who did not agree with the new strategic direction of the organization were forced out
or left through their own volition.

As in the case of the study by Nyangisi (2011) who examined Strategic Change in the
Kenya National Malaria Strategy by the Division of Malaria Control of the Ministry
of Public Health and Sanitation, Pact was forced to initiate a process of strategic
change so as to respond to among other concerns, the reduced donor funding. This is a
phenomenon that affects most social programmes especially those pursued by non-
profit CSOs such as Pact Kenya. The case study also contributed to bridging the
research gap identified by examining the works of Nyangisi (2011), Abdullahi (2011)
and Mberia (2006) who all studied commercial and public entities in Kenya with few
studies on managing strategic change being done on non-profit entities such as CSOs.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section summarizes the findings of the research, presents the conclusions from the study and makes recommendations derived from the experiences encountered by Pact Kenya in the course of managing its strategic change. The section also looks at the limitation of this study and makes recommendations for future research.

5.2 Summary of the findings

Overall the process of cascading the Pact strategy to the Pact Kenya office seemed to have largely failed due to the approach adopted at the head office. While the organization has continued operating in the Kenya context doing important development work, it nevertheless does so without a clearly defined local strategy. Most of the staff are not fully aware of, or inspired by the global strategy and only focus on implementing existing projects.

The management at Pact Kenya is waiting for the mid-term review of the Pact global strategy so as to re-initiate the process of developing and customizing a local strategy. While the mid-term review might provide an opportunity to correct mistakes done in the earlier stages, it may be too late to savage the process since the negative perception of the staff about the process lingers to date.
5.3 Conclusion

The strategy developed by Pact at the global level was not fully embraced at the local level in terms of practice and application. As a result the staff at Pact Kenya have focused more on implementing their project goals as opposed to being guided by Pact strategies. This means that when the projects come to an end the staff might find themselves without a clear direction on how to proceed with the future.

A lot of emphasis tends to be laid on managing resistance during the process of strategic change so as to ensure success of the process. Staff are often faulted for resisting change but sometimes the fault lies with the management and leadership rather than staff. As the case of the Pact Kenya demonstrates inadequate communication and support from the head office led to a poor understanding and adaptation of the global strategy and strategic change process.

5.4 Recommendations

Civil society organizations such as Pact who have a global presence should fully involve their country offices so that the staff in these offices can feel they are part and parcel of the process of implementing strategic change. The leaders should ensure that all staff throughout the organization are involved and informed throughout the process of managing strategic change.

The process of managing strategic change in global organizations should also take cognizance of contextual factors. Ideas that work in the headquarters might not necessarily be applicable or appropriate for the circumstances at the country offices. It
is therefore important for decision makers at such organizations to identify mechanisms to reconcile what the organization finds strategic at a global level with the priorities identified by individual country offices. In doing this, two-way communication is important between the head office and country offices so that any fears and expectations can be addressed.

Managers who lead strategic change processes in organizations ought to take into consideration Kanter’s (1992) commandment of lining up political sponsorship so as to ensure their anticipated changes are accepted by all stakeholders. At the same time the managers need to embrace Kotter’s (1999) important step of communicating the change vision to all the employees in the organization. This reduces resistance to change and adds to the probability that such a process will be successful. These tested theories provide important tools for managers to utilize as the research has shown.

It is also important that scholars of strategic management utilize this study in understanding the process of managing strategic change, and how it varies from one organization to the other due to differences in context as demonstrated by the Pact Kenya experience. This can then be applied to generate a deeper understanding of factors that promote or impede the process of managing strategic change in different types of organizations.
5.5 Limitations of the study

The study was limited by time constraints. The study was undertaken at a time when Pact Kenya was busy responding to two major calls for project proposals hence it was difficult to get staff and managers to commit their time to the process. Consequently, interview appointments with key respondents had to be postponed leading to delays in completing the research project.

Nevertheless the limitations did not compromise the quality of the research. The respondents provided adequate data to enable the researcher to understand the process of managing strategic change at the organization over the period of three years.

5.6 Suggestions for future research

There is need to undertake more studies on how CSOs in Kenya manage strategic change so that the pool of knowledge in the area can be built. It would also be useful to undertake a comparative study that can determine if the process of managing strategic change in the non-profit sector is different from that of the business sector in Kenya.

The researcher also recommends that more studies should be carried out on the role of managers in managing strategic change especially in the Kenyan context. As shown in this study the process of managing strategic change depends on the context the change is taking place. Therefore it is important to get more experiences on how managers who lead change either succeed or fail in the process so as to learn from the experiences.
REFERENCES


in Competence-Based Management (pp. 131-172).
http://dx.doi.org/10.1016/S1744-2117(08)04004-8


APPENDIX ONE: INTERVIEW GUIDE FOR MANAGEMENT

1) What did you like about the process of managing strategic change at Pact?

2) What did you not like about the process of managing strategic change at Pact Kenya?

3) In your opinion what was the most important aspect of managing the strategic change at Pact Kenya?

4) What is the important factor that has contributed to the successful / unsuccessful management of strategic change at Pact Kenya?

5) How would you rate the motivation of staff three years after the start of implementation of the strategic change? Why do you say so?

6) What mistakes did you do as the management during the strategic change implementation?

7) What worked well in the process of managing the strategic change?

8) Has the process of managing strategic change been successful in Pact Kenya? Why do you say so?

9) What other useful information can you give regarding the process of managing strategic change at Pact Kenya?

THANK YOU
APPENDIX TWO: INTERVIEW GUIDE FOR STAFF

1) What did you like about the process of managing strategic change at Pact Kenya?

2) What did you not like about the process of managing strategic change at Pact Kenya?

3) In your opinion what was the most important aspect of managing the strategic change at Pact Kenya?

4) What is the important factor that has contributed to the successful or unsuccessful management of strategic change at Pact Kenya?

5) How would you rate your motivation and that of your colleagues three years after the start of implementation of the strategic change? Why do you say so?

6) Has the process of managing strategic change been successful in Pact Kenya? Why do you say so?

7) What other useful information can you give regarding the process of managing strategic change at Pact Kenya?

THANK YOU