

**STRATEGIC CHANGE MANAGEMENT PRACTICES AND
CHALLENGES AT SAFARICOM LIMITED, KENYA**

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DECLARATION

I declare that this project is my original work and has never been presented for a degree award in this or any other university.

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SIGNATURE:

DATE:

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

.....

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DEDICATION

This project is dedicated to the memory of my late father Patrick Musyoki, my wife Faith and our daughters Ivy and Ida for the cheer, support and encouragement all through the program.

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I would like to thank the almighty God for His Grace and mercies for the entire period it took me to complete this program.

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My sincere thanks go to my wife ,for her understanding ,patience and encouragement as the project demanded that I work for long hours away from home ,eating into precious family time .I also thank my daughters Ivy and Ida for their understanding during my absence .

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Finally, my thanks go to my MBA classmates for being a constant source of encouragement all through during the coursework and also during the project phase .

ABSTRACT

Strategic management is all about identifying and embedding in the organization those changes that will ensure the long-term survival in the organization. Systematic methods are therefore needed to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results. The aim of this study was to examine strategic change management practices and challenges at Safaricom Limited, Kenya. Primary data was collected using a comprehensive interview guide from the targeted interviewees, who comprised of senior management from key divisions including some middle level managers who are directly involved in strategic change management, and was analyzed using content analysis. From the study findings, excellent communication is upheld before and during any change. Communication through the staff council was also concluded to be amongst the practices used to pick employees feedback. The study also concluded that effective and supportive leadership is available to drive and sustain change. The study additionally concluded that strategic change management is recognized and celebrated in Safaricom. The study also concluded that the nature of the business necessitated participation of diverse work force whose management and optimization called for global experience. This negatively affected change for example need for frequent travels back home for expatriates, observance of certain holidays not practiced in Kenya. The study recommended that leaders must exhibit, and encourage within others, without a bias for action. Although strategic change management is recognized and celebrated in Safaricom some departments were concluded to be of the view that only senior managers take the credit and therefore the rewards. The study also recommended individual and group recognition as a necessary component of change management in order to cement and reinforce the change in the organization.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Any human organization is best understood as an open system. An organization is open because of its dependency on and continual interaction with the environment in which it resides (Van De Ven and Poole, 1995).

There has been increased uncertainty of the future. The pace and scale of the change demanded of organizations have been enormous (Carnall, 2007). Demand for change remains high. Managers continue to strive for perfect change management practices, as many continue to report alarming failure rates. Firms, like organisms, must be “adept at adapting” or they will not survive (Carnall, 2007).

1.1.1 Management of Strategic Change

Thompson et al. (2006) defines strategy as an organization’s management game plan for growing the business, staking out a market position, attracting and pleasing customers, competing successfully, conducting operations, and achieving its targeted objectives. Johnson and Scholes (2002) concurs that, strategic decisions are normally about trying to achieve some advantage for the organization over competition. Strategic management is all about identifying and embedding in the organization those changes that will ensure the long-term survival in the organization. Globalization of the world economies has resulted in high environmental unpredictability. Environmental changes such as advancement in information technological innovations, political, social and consumer behavior have affected many organizations and they are being forced to enhance their business

processes in order to survive in an environment which has become very competitive. All these coupled with the general ability to replicate both 'hard' and 'soft' innovations within ever diminishing time scales, places the creative and effective management of change well towards the top of the core competences required by any organization (Paton & McLaughlin, 2008). Organizations are undertaking strategic changes in order to align their business strategies to the environment and match the resources and activities of an organization to that of the environment. "Change management is the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results" (Davis & Holland, 2002).

Strategic change management exists in two basic forms: planned strategic change management and emergent strategic change management. While planned change is proactive and consciously planned by management, emergent strategic change management is concerned with the ever-changing, unpredictable business environment. It is open ended and constantly keeps on aligning the firm with its external turbulent environment. As Aosa (1992) argues, this type of strategic change management basically matches an organization's internal capabilities with its environment.

1.1.2 Communication Industry in Kenya

The telecommunication sector in Kenya is well developed having four major players: Safaricom, Telkom Kenya, Airtel Kenya and YU. Safaricom is the clear market leader in the mobile services segment while Telkom Kenya is the major player in the fixed line telecom segment. Kenya's telecommunications and broadband market is undergoing a

revolution following the arrival of three fibre optic international submarine cables (Seacom, TEAMS and EASSy), ending its dependency on limited and expensive satellite bandwidth. The country's international bandwidth increased more than eleven-fold in 2011. Prices had already fallen significantly following the liberalization of international gateway and national backbone network provision in 2005, but they have now fallen by more than 90%, enabling cheaper tariffs for telephone calls and broadband Internet services.

However, ISPs have only reluctantly passed on the cost savings to end-customers. This has prompted the industry regulator, the Communications Commission of Kenya (CCK) to consider price caps. In parallel, the regulator has mandated price cuts on interconnection tariffs and proposed new competition regulations.

A price war has characterized Kenya's mobile communications market since 2008, following the market entry of the third and fourth network, Econet Wireless Kenya (EWK, in which India's Essar acquired a stake) trading under YU brand, and Telkom Kenya under the Orange brand. Subscriber growth is now forecast to slow gradually over the coming years, and rapidly falling ARPU (Average Revenue Per User) levels have driven one of the incumbents, Bharti Airtel Kenya, deeper into negative earnings, leaving only the market leader, Safaricom, with a net profit, although reduced, but have been able to recover by adjusting their prices and consistent diversification in data. Financial performance has improved again in the 2012/13 financial year.

The operators are developing new revenue streams from third generation (3G) broadband and mobile banking services and the leading operator has begun LTE trials. With market

penetration rates in Kenya's broadband and traditional banking sector still very low, the mobile networks have an opportunity to relive the phenomenal growth rates seen in the voice sector in recent years.

Market estimates have forecasted that Kenya's telecoms market will generate \$2.2 billion (Sh189bn) in 2017, up from \$1.7 billion (Sh146bn) in 2012, indicating the growing value of the sector. The industry has been tipped to become a main contributor to Kenya's economic growth in the next five years. Competitive tariffs and a battle of promotions continue to drive growth and the market is set to maintain vibrancy.

1.1.3 Safaricom Limited in Kenya

Being the largest player, the story of the telecoms sector in Kenya is more or less intertwined with the story of Safaricom. Safaricom Ltd Kenya is a leading mobile network operator in Kenya. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone group Plc. of the United Kingdom acquired a 40% stake and management responsibility for the company. Safaricom describes itself as "a leading provider of converged communication solutions, operating on a single business driver that has a peerless understanding of voice, video and data requirements. Its portfolio diversity to mobile banking and money transfer, under MSWARI and MPESA brands respectively has proved a runaway success.

Safaricom, which started as a department of Kenya Posts & Telecommunications Corporation, launched operations in 1993 based on an analogue ETACS network and was upgraded to GSM in 1996 (license awarded in 1999). Safaricom was incorporated on 3rd

April 1997 as a private limited liability company. It was converted into a public company with limited liability on 16 May, 2002.

In accordance with the Government of Kenya's policy of divesting its ownership in public enterprises, the Government of Kenya through the Treasury Department, on 28 March 2008 made available to the public 10 billion of the existing ordinary shares of par value Ksh 0.05 each, of the Company. This represents 25% of the total issued share capital of Safaricom from the Government of Kenya's shareholding in Safaricom Limited.

Bob Collymore is the current Safaricom CEO having succeeded Michael Joseph on November 1, 2010, after Joseph's ten years as the CEO. Presently the shareholder structure is: Government of Kenya 35%; Vodafone 40%; Free Float 25%. The free float is traded on Nairobi stock exchange. As at May, 2013 the customer base was around 19.2million. Its main rival is Airtel Kenya, while others include Essar's YU and Orange Wireless.

1.2 Research problem

The accelerating rate and complex nature of change today is producing a business world in which customary managerial habits in organizations are increasingly inadequate. Experience alone was an adequate guide when changes could be made in small increments. But intuitive and experience-based management philosophies are grossly inadequate when decisions are strategic and have major, irreversible consequences (Burnes, 2009).

Johnson & Scholes (2003) argues that there is no one right formula for managing strategic change. The success of any attempt at managing strategic change will also be dependent on a wider context in which that change is taking place.

Burnes (2009) argues that the biggest single challenge facing managers today is globalization: the creation of a unified world market place. Allied to globalization, however, are three other challenges: how to achieve sustainability in a world of dwindling natural resources and increasing environmental pollution; how to manage increasingly diverse workforce; and, at a time when business leaders are considered less trust worthy than ever before, how to manage ethically. The real challenge for organizations is to change managerial behavior so that business ethics become business practices. These issues are not new but globalization has accentuated and brought them to the fore as never before.

In the recent past, the telecommunications industry has faced intense competition and tremendous challenges due to industry globalization, privatization, adverse changes in economic and political patterns which have all coupled to widen operating costs and therefore narrow profit margins. To survive in this turbulent business environment, Safaricom has employed strategic change management practices amid major challenges. This has resulted to change of vision, structures, systems and processes, leadership, communication.

Several studies have been carried out on strategic change management in Kenyan companies both public and private sectors including strategic change management practices at Teachers service commission (Mimaita, 2010). Strategic change management

at National Museums of Kenya (Kendi,2009) Strategic change management at Kenya Revenue Authority (Langat,2011),Challenges of managing change after transition of ownership: The case study of Celtel (Muchui,2006),survey of strategic change management practices of Christian churches in Kenya(Obwoge,2006), A survey of the strategic change management practices by Kenyan companies: A Case study of companies listed by the Nairobi stock exchange(Gekonge,2006),A survey of strategic change management practices within NGOs in Kenya(Bwibo,2000),challenges of managing strategic change in Telkom Kenya during and after privatization (Ouma, 2004).Many studies have also been done on Safaricom including the following :strategic responses to dynamic business environment by Safaricom(Gichagi, 2011),challenges of strategy implementation at Safaricom (Chepkwony, 2011),Response strategies of Safaricom Limited to macro environmental changes (Ndirangu, 2011),Responses of Safaricom Limited to increased competition in the mobile phone service industry (Tito, 2011).However no study has been done on strategic change management practices and challenges at Safaricom. This research project therefore sought to bridge this gap.

This study sought to answer the following research questions: what are the strategic change management challenges faced by Safaricom Limited, What are the strategic change management practices employed at Safaricom Limited?

1.3 Research objectives

This study addressed the following two research objectives:

- (i) To establish strategic management practices adopted by Safaricom Ltd.

- (ii) To establish any challenges encountered in managing strategic change at Safaricom Limited.

1.4 Value of the study

Telecommunication is a key sector in our Kenyan economy. Safaricom has continued to be a market leader in the sector in several aspects during a very turbulent period. It is therefore expected that this study will find out the best practices it has employed and also the challenges encountered during its reinvention. This will help the company's future change managers and also benefit other mobile and data service providers in Kenya and indeed the region.

The Kenyan Government especially the ministry of information and communication through its agency, CCK, will benefit by using the study for policy making that will improve and level the present playing ground in the telecommunications sector. This will not only help struggling operators but will also encourage more startups and create more employment, while increasing the government revenue.

Telecommunication analysts will find the study useful by appreciating the best practices adopted by Safaricom and also learn from the challenges encountered. The study will not only be appropriate to academicians of strategic management change but will be a basis for further studies on strategic management practices and challenges in telecommunication organizations or any other organization anticipating change.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter represents the literature review of the study .It captures the concept of strategy, management of strategic change, challenges of managing strategic change and strategic change management practices. Arguments by various scholars on strategic change management tools and rationale for strategic change management are also highlighted.

2.2 The Concept of Strategy

Management of strategic change is incomplete without a thorough understanding of strategy (Bita, 2011). Strategy is the direction and scope of an organisation over the long term. Thompson et al. (2006) argued that a firm's strategy is its management game plan for growing the business. Strategic decisions are normally about trying to achieve some advantage for the organization over competition (Johnson & Scholes, 2002). Burnes (2009) describes strategy as a coherent or consistent stream of actions which an organization takes or has taken to move towards its vision. This stream of actions can be centrally planned and driven, they can be delegated and distributed throughout the organization, and they can be either conscious actions in pursuit of a vision or emergent ones resulting from past patterns of decisions or resource allocations or from current responses to problems and opportunities.

Strategic management includes understanding the strategic position of an organization, strategic choices for the future and managing strategy into action (Johnson et al., 2008).

2.2.1 Strategic Change

Strategic change is defined as an alteration in an organization's alignment with its external environment (Rajagopalan & Spreitzer, 1996; Van de Ven & Poole, 1995). An important development in this literature is that strategic change is increasingly seen as not only a shift in structures and processes, but also as a cognitive organizational re-orientation (Barr, 1998; Barr, Simper, & Huff, 1992; Gioia & Chittipeddi, 1991; Reger, Gustafson, Demarie, & Mullane, 1994) involving "a redefinition of the organization's mission and purpose or a substantial shift in overall priorities and goals" (Gioia, Thomas, Clark, & Chittipeddi, 1994: 364).

Though visions and strategies can be crucial in shaping the life of an organization, it is only when some facet of the organization is changed or changes that visions and strategies advance from being mere possibilities to become reality (Burnes, 2009). Johnson et al. (2008) argued that there are different types of strategic change, which can be thought of in terms of their scope, i.e. the extent to which they involve paradigm change or not, and their nature in terms of whether they can be achieved through incremental change or require immediate action (the big bang approach).

Hill and Jones (2001) have identified innovation, re-engineering and re-structuring as kinds of strategic change. Restructuring is the reduction in the level of integration and differentiation brought about by minimization of structural level in the hierarchy and also lessening employee numbers as an operational cost reduction strategy. The use of restructuring therefore leads to divisional and departmental changes. Changes in structure are as result of technological changes, recession or even excess capacity as a result of

firms growth which increases its level of bureaucracy (Hill & Jones, 2001). Innovation is meant to create a competitive advantage of the firm by effective resource and skills usage so as to create new technologies, goods and services that change and respond to the changing needs of the customers.

Re-engineering is a radical thinking and re-design of business processes. This attains improved quality of service and speed as a measure of the firm's performance. Existing arrangement of tasks, roles, and work activities are ignored. Instead attention is focused on the customer needs, re-organization of work activities, business processes for cost reduction of goods and services while at the same time offering maximum customer satisfaction through competitive goods and services offered. Efficiency and effectiveness is also employed in the management of tasks and role relations in the firm. e-engineering utilizes new systems, software to effectively manage the external environment (Hill & Jones, 2001).

However, an important implication of this emerging perspective is that the success of strategic change will depend not only on an organization's ability to implement new structures and processes, but also on the organization's ability to convey the new mission and priorities to its many stakeholders (Smircich, 1983).

Since strategic change generally involves the reordering of priorities and the disruption of established relationships, such change tends to be controversial— both internally and externally-and almost always presents a justification problem (Gioia & Chittipeddi, 1991).

2.3 Management of Strategic Change

Kotter (1996) defined change management as the utilization of basic structures and tools to control any organizational change effort. Change Management is a structured approach to shifting / transitioning individuals, team, and organization from a current state to a desired future state.

Change management involves working with an organization's stakeholder groups to help them understand what the change means for them, helping them make and sustain the transition and working to overcome any challenges involved. From a management perspective it involves the organizational and behavioral adjustments that need to be made to accommodate and sustain change (Langat, 2012).

Change management is a process by which an organization gets to its future state, its vision .While traditional planning processes delineate the steps in the journey, change management attempts to facilitate that journey (French & Bell, 1984) .Therefore creating change starts with creating a vision for change and then empowering individuals to act as change agents to attain that vision (Balogun and Hailey, 2007). The empowered change management agents need plans that provide total systems approach, are realistic, and are future oriented .Carnall (2007) stresses that change management encompasses the effective strategies and programs to enable those change agents to achieve the new vision.

Managers and the enterprises they serve, be it public or private, service or manufacturing will continue to be judged upon their ability to effectively and efficiently manage change. Any organizations that ignores change, does so at their own peril. To survive and prosper

organizations must adopt strategies that reflect their ability to manage multiple future scenarios (Johnson and Strickland, 2003).

2.4 Approaches to Strategic Change Management

Johnson et al. (2008) pointed out that organizational Change Management should begin with a systematic diagnosis of the current situation in order to determine both the need for change and the capability to change. The objectives, content, and process of change should all be specified as part of a Change Management plan.

Three schools form the central planks of change management theory: The individual Perspective school, The Group Dynamics School and the open systems school (Pavlov, 1927). These three schools provide many of the core concepts of the new paradigms, especially in respect to team work and organizational learning (Kanter, 1989; Senge, 1990).

There are numerous models and theories about change management (Bita, 2012). Popular approaches include the linear, step by step methods exemplified by Kurt Lewin's classic three-phase model of change; unfreeze, move or change, and refreeze, and John Kotter's popular eight step change model: Increase urgency, Build the guiding team, Get the vision right, Communicate for buy-in, Empower action, Create short-term wins, Don't let up, Make change stick. However, no one framework is "best" in all situations. Approach that is taken should be relevant to the circumstances. In fact the best change approaches appear to use and adapt aspects of various models to suit the culture of the organization and the context of the change. Approaches to managing change therefore need to differ according to context (Newton et al., 2003).

The theory and practice of change management draw on a number of social science disciplines and traditions. The social sciences themselves are interwoven (Burnes, 2009). Different approaches and means of managing change are likely to be required for different types of change. It's important to diagnose other aspects of the change situation. Wider aspects of organizational context such as resources and skills that need to be preserved, the degree of homogeneity or diversity in the organization, the capacity, capability and readiness for change and the power to make change happen are important. Different styles of managing strategic change are likely to be necessary according to different contexts and in relation to the involvement and interest of different groups. The management of strategic change is likely to involve different roles in the change process, including those of strategic leaders, middle managers and outsiders (Johnson & Scholes, 2002). For both prescriptive and analytical streams of strategy, change management is vitally important, whether it be for strategy implementation or development .

There are several tools of analyzing; planning, controlling and implementation of strategic change (Bita, 2011). Change analysis with the aid of these tools should be guided by the organizational objectives. Major tools include stake holder analysis, action research and the various steps of planned change steps advanced by Kurt Lewin and others. Additionally, the cultural web and force field analysis (coined by Lewin in 1943), are also useful means of identifying blockages to change and potential levers of change (Balogun and Hailey, 2007).

2.5 Strategic Change Management Practices

Effecting change in organizations may involve many intricate issues and require careful analysis and implementation. Both individuals and organizations experience transformation on various levels. For individuals, change may involve adopting new attitudes and resistance to developments that may bring unforeseen consequences. There are various views on the way such issues should be dealt with and the way change should be implemented (Eriksson and Sundgren, 2005). To succeed with a change effort, an organization must successfully perform several critical practices:

Communication; Involves explanations of the reasons for and means of strategic change. On communication Eriksson and Sundgren (2005) argues that organizations have to deal with communication relating to change in the same way as they do in the market place. They have to be creative, purposeful and responsive. Ensuring enhanced communication in times of change is therefore essential (Graetz and Smith, 2005). Communication is a two way loop. Stake holders must be in a responsive loop. They must be listened to and engaged. Goodman and Truss (2004) stress the importance of considering both the content and process of corporate communication in times of change and indeed at all times. Attention should be paid to timely communication of change: matching communication channels to the recipients needs to ensure uncertainty is minimized.

Strategic change in the identification of strategic issues, setting of the strategic agenda, the strategic decision-making process or the planning of strategic change or the drawing up of action plans. Collier et al. (2004) argued that such involvement can foster a more positive attitude to change. People will see the constraints the organization faces as less

significant and feel increased ownership of, and commitment to, a decision or change process.

Celebrating and recognizing success; It is important for both organization subunits and individuals to be enthusiastically committed to executing strategy and achieving performance targets. Thompson and Strickland (2003) point out that managers typically try to enlist organization wide commitment to carrying out strategic change by motivating people and rewarding them for good performance. To get people's sustained, energetic commitment, management has to be resourceful in designing and using motivational incentives, both monetary and non-monetary.

Early successes and long-term wins must be recognized and celebrated. Individual and group recognition is also a necessary component of change management in order to cement and reinforce the change in the organization.

Effective leadership; Whether one is dealing with the change at the individual level, group or organizational level, whether one perceives change as incremental, punctuated or continuous or whether one is viewing it from planned or emergent perspective, change has to be managed; someone has to take a responsibility for ensuring that change takes place. Regardless of the difficulty in identifying what managers do or how they should do it, there has been a long-held belief that the major factor that distinguishes successful organizations from less successful ones is the presence of dynamic and effective leadership (Jones et al, 2000). Burnes (2000) associated management and leadership with different types of people: managers are people who do things right and leaders are people who do the right thing.

Visible and active senior management support; Whether it is top-down or bottom-up approach to change, visible and active senior management support is vital. Without senior management support, the change will lack vision, necessary backing for the change process in recruiting the desired level of support to instigate change at all levels. Much needed power will also be missing without which change becomes a huge burden.

Sustainable change can only be achieved when senior management becomes visibly involved in the process. Executives must exhibit ,and encourage within others, a bias for action(Peters and Waterman,1982).The levers of change must be connected from the top to the bottom of the organization (Pettigrew and Whipp,1993).The executive grouping, led by the chief executive, must support their change agents in their endeavours (Sminia and Van Nistelrooij, 2006).

Training and education; Organizations have had to cope with the pressures of globalization, climate change, changes in technology, the rise of e-commerce, situations where customers and suppliers can be both competitors and allies, and a change in emphasis from quantity to quality and from products to services. To cope with this complexity, organizations are recognizing the need to acquire and utilize increasing amounts of knowledge if they are to make the changes necessary to remain competitive (Chesbrough, 2006).

It is further argued that learning provides a buffer between the organization and its environment to stop a reactive response to every event(Slater and Narver,1995).A company that trains is inherently forward looking which reduces the frequency of major shocks and fosters an enhanced level of flexibility with which to respond to ,and predict

,emergent opportunities. Organizational learning is explicitly directed at enabling organizations to change. According to Peter Senge (1990) learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

Peters and Waterman (1982) concur that training is the cornerstone for building knowledge about the change and the required skills. Managers need to develop training requirements based on the skills, knowledge and behaviors necessary to implement the change. For strategic purposes, it is important for organizations to target the development of competences which can provide competitive advantage.

Managing resistance to change; any proposal for change will always generate resistance. In any undertaking, this attitude stands in the way of effective implementation of any new strategy. It is imperative that managers counter resistance from the employees and any other stake holder of the organization and align them to overall strategic direction of the organization. Resistance to change can effectively be managed by: Diagnosing the nature of change, Building a launching platform: Building a supportive climate, Designing behavioral features into the plan for change, Behavioral management of the process (Ansoff and McDonnell, 1990).

Good practice is simply doing things that have been shown to work and to be effective .Adopting good strategic change management practices can help an organization introduce and steer change effectively.

2.6 Challenges of Managing Strategic Change

Ansoff and McDonnell (1990) noted that since the emergence of systematic management of strategy attention was focused on two aspects: strategy formulation and strategic planning. However, the two aspects were developed on basic assumptions which were disapproved by the ensuing practical experience. Four conclusions were therefore clear: Reasonable people do not do reasonable things, Implementation of strategy does not automatically follow strategy formulation, Treatment of strategy planning and implementation as two sequential and independent processes was just an artificial convenience, Resistance to change was not confined to introduction of strategic planning but occurred whenever an organizational change introduced discontinuous departure from the historic behavior, culture and power structure(Kotter,1996).

In implementing change the main problem is likely to be carrying the body of the organization with the change (Burnes, 2009).It's one thing to change the commitment of a few senior executives at the top of the organization, and another to convert the body of the organization to an acceptance of significant change. Consequently the following is imminent:

Uncertainty; Strategic changes mostly occur over significant periods of time and give rise to considerable differences in the way an organization operates. Consequently, the process of implementing strategic change generates a great deal of uncertainty in the organization which, in turn triggers off political and social activity as groups and individuals seek to cope with the organization and results in triggering off greater uncertainty (Johnson and Scholes, 2002).

Cultural Issues; the culture of an organization is a set of “unwritten rules”. Management may have a set of protocols for employees to adhere to perform business processes. Beliefs and practices that become embedded in an organization’s culture can originate anywhere: from one influential individual, work group, department, or division from the bottom of the organizational hierarchy or the top (Kotter and Heskett, 1992). Thompson and Strickland (2003) argue that an organizations culture is either an important contributor or an obstacle to successful strategy execution. A strong culture is a valuable asset when it matches strategy and a dreaded liability when it doesn’t.

Faced with pressures for change, managers are likely to deal with the situation in ways which are in line with the paradigm and the cultural, social and political norms of organizational life. This raises difficulties for when managing strategic change for it may be that the action required is outside the scope of the paradigm and the constraints of the cultural web: that is members of the organization would be required to change substantially their core beliefs or the ‘way we do things around here’.

Strategic drift; The ever increasing environmental turbulence appears to be currently showing signs of discontinuity .Strategies develop incrementally on the basis of historical and cultural influences but fail to keep pace with the changing environment. This is strategic drift (Johnson, 1988).In these circumstances the strategy of the organization will become less and less in line with the environment in which the organization operates. This may be a process that takes a long time and may not be discerned by management until the drift becomes so marked that performance deteriorates. Consequently change will not lead to careful, logical and adaptive strategy making which keeps in line with environmental changes.

Lack of or Bad Leadership; Kotter (2001) states that management of strategic change is often linked to the role of a strategic leader. Leadership is the process of influencing an organization in its effort towards archiving an aim or goal (Stodgill, 1950).

Good managers may also be bad leaders. This may breed imbalance in priority between strategic and operating work. Strong leadership required to direct the change management process in any organization is not automatic. Bad leaders who merely provide are not doing enough to inspire the employees to march ahead. People want to be shown the way all through (Peters and Waterman, 1982).

Resistance to change; Ansoff &McDonnell (1990) defined resistance as a multifaceted phenomenon, which introduces unanticipated delays, costs, and instabilities into the process of strategic change Paton and McCalman (2008) stated that resistance manifests itself throughout the history of a change. Additionally, Hill and Jones(2001)noted that resistance is the manifestation of the irrationality of an organization, a refusal to recognize new dimensions of reality, to reason logically and to carry out the consequences of logical deductions. McGregor (1960) added that resistance is a natural manifestation of different rationalities, according to which groups or individuals interact with one another. Resistance can also be systemic as a result of systemic overload due to imbalance in priority between strategic and overload work, capability gap and strategic overload resulting in delays, cost overruns.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodologies which were used in the study. It describes the research design which was employed, the tools and processes which was used in data collection as well as the targeted interviewees. The technique enabled the researcher to collect views, backgrounds, opinions, motivations, attitude, interest and feelings about strategic change management challenges and practices at Safaricom Limited. The chapter winds up with an insight of the data analysis methods and tools which were employed during the study

3.2 Research design

The approach used in this study was a case study. Case study is an in-depth investigation of an individual, institution, or a phenomenon. It involves a careful and complete observation of social units or a phenomenon (Kothari, 1990). It also offers a comprehensive understanding of the social units or phenomenon under study. Case study is a method of in-depth study rather than breadth and places more emphasis on the full contextual analysis of the limited number of events or conditions and other inter-relations, which relies on qualitative data (Cooper and Schindler, 2005). Researchers such as Bitu (2011) and Chepkwony (2012) have successfully used case study in their research work. The study to be conducted was a case study of Safaricom limited, a leading telecommunications company in Kenya.

3.3 Data collection

Emphasis was given to primary data. The primary data was collected using a comprehensive interview guide. The interview guide was divided into two parts: the first part dealt with practices used in strategic change management at Safaricom Limited., while the second part dealt with challenges of strategic change management at Safaricom Limited. The interview guide used had open ended questions (unstructured) to elicit detailed information from the interviewees. Through the technique the researcher was also able to collect views and opinions and even feelings of the interviewees about strategic change management challenges and practices at Safaricom Limited.

Targeted interviewees comprised senior management from key divisions including some middle level managers who are directly involved in strategic change management .The divisions were Human resources, finance, technical & IT, marketing, customer care, Financial Services, corporate affairs, strategy & innovation, corporate affairs and risk management. Secondary data was collected from Safaricom website including the company's current strategic plan.

3.4 Data analysis

Data collected was analyzed using content analysis. This is because the nature of data collected was qualitative in nature. This is a technique of making inferences by systematically and objectively identifying specific characteristics of messages as the basis to relate trends (Nachmias and Nachmias, 1996). It captures a qualitative picture of interviewees, concerns, ideas, attitudes and feelings. In addition, it provides valuable historical and cultural insights through analysis of texts. More so it is an obtrusive means

of analyzing interactions and provides insights to complex models of human thought and language use. Chelagat (2012), Tito (2012) and Ochieng (2012) successfully used qualitative analysis in their research studies.

3.5 Validity and reliability assessment

Validity is the extent to which a test measures what it is supposed to measure. Reliability is the degree to which a test consistently measures whatever it measures. Reliability and validity in this study were based on the skills of the researcher. Questions concerning reliability and validity were associated with how reliable and valid the researcher's data collection and analysis were. Using research methods that ensure that the data recording is accurate and the interpretations of data are empirical and logical is important to increasing reliability and validity in qualitative studies. In this case, the study ensured reliability and validity by taking respondents from senior management responsible for strategic decisions and middle level managers who are actively involved in strategic change management in the company.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis and discussions. The study had two objectives namely; to establish strategic management practices adopted by Safaricom Ltd and to establish any challenges encountered in managing strategic change at Safaricom Limited. Primary data was collected using a comprehensive interview guide from senior management from key divisions including some middle level managers who are directly involved in strategic change management. The divisions were Human resources, finance, technical, marketing, customer management, supply chain, corporate strategy and risk. Secondary data was collected from Safaricom website including the company's current strategic plan. The data was thereafter analyzed using content analysis based on the objectives of the study and the findings were presented as per the different themes underlined below.

4.2 Strategic management practices

The study asked the interviewees various questions relating to strategic management practices adopted by Safaricom Ltd and obtained various responses. This was meant to indicate how implementation of strategic change management practices, amid major varied challenges has enabled Safaricom to survive and lead in the turbulent business environment the telecommunication industry is experiencing.

4.2.1 Change Management practices used in Safaricom

The respondents were asked whether there were any change management practices used in Safaricom and what the practices were.

They indicated that indeed there was change management practices used and stated enhancement of Collaboration /participation between departments through group meetings, project matrix structures, restructuring and also intentional employment of managers from outside as examples of such practice. Additionally, the respondents also pointed at organizing of frequent offsite strategy meetings for all concerned departmental heads and senior middle level managers. Team building between different sections, departments or divisions sometimes conducted by external trainers was also indicated as a common practice used especially before or during change.

4.2.2 Continuous research and application of best practices in managing strategic change

The study also required the respondents to ascertain whether Safaricom Limited continuously researches on best practices in managing strategic change and if these best practices are applied in their respective departments.

According to the respondents it was established that generally, Safaricom Ltd does research on best practices in managing strategic change. This is done through benchmarking with Vodafone among other major telecommunications providers. Some departments were said to have R&D sections for instance marketing ,products and

services, strategy & innovation and technical divisions and it was determined that universal telecommunications best practices are continually used for instance ITIL.

4.2.3 Strategic change communication

The respondents unanimously agreed that excellent communication is upheld before and during any change. In support of this the respondents indicated that there was communication through daily staff bulletin, very attractive and beautiful posters are pinned in all conspicuous places including the lifts, office walls, cafeteria and even use of miniaturized posters on every employee's desk. They also pointed out that they appreciated the CEOs frequent LIVE broadcast on which every employee logs in and listens real time to the CEO. Through these forums major issues are communicated from one source in a direct way. This in turn has helped to eliminate suspicion, different versions, and mistrust which are common during change.

Communication through the staff council was also cited by the respondents as amongst the practices used to pick employees feedback. Observations are channeled through representatives who frequently meet with senior management and issues are deliberated. Another practice mentioned by the respondents was the "Sema Na CEO", whereby employees directly air issues through mail to the CEO. Moreover, divisional road shows were also seen as helpful in communicating intended change or progress of the same by the respondents. Under this practice the senior management reaches out to employees even those away from head office for interactive sessions to communicate change.

Likewise staff quizzes with handsome prizes were also stated by the respondents as other practices that accompany most major changes and this ensures change is communicated to all employees. Similarly the respondents affirmed that t-shirts, shirts and caps are mostly printed and distributed to communicate change as well as promotions and advertisements and team building.

4.2.4 Role of communication in strategic change management

The respondents were asked to outline the role of communication in the strategic change management process.

They mentioned the following as the roles; it enables early awareness of change, it enables early preparations-resourcing, structure change, relocations, acquisition of requisite infrastructure, collaboration between the stakeholders as well as eliminating resistance to change, making the employees part of the change from the very beginning .

4.2.5 Effective leadership in strategic change management

The study further sought to determine the opinion of the respondents with regard to whether there is effective leadership as pertaining strategic change management in Safaricom ltd i.e. the role played by leadership in managing change in Safaricom.

The respondents resolved that effective and supportive leadership is available to drive and sustain change: it provides resources, negotiates change, generates and supports momentum, and puts control on progress. It also motivates employees, solves conflicts and supports general change management. However of 10 divisions, most managers of 3 divisions were of the view that their efforts were not fully supported by their managers

who had left them by themselves. Apart from unnecessarily exposing them to attack from other dominant stake holders, it also frustrated them during change.

4.2.6 Celebration/Rewarding of strategic change success

Individual and group recognition is a necessary component of change management in order to cement and reinforce the change in the organization. The respondents were therefore asked whether strategic change success is celebrated and rewarded at Safaricom and how this is done.

They agreed that strategic change management is recognized and celebrated in Safaricom. This is done through good recommendations, cash rewards in form of spot awards and bonuses, parties, promotions, secondments to advance same experience with Vodafone. However some departments were of the opinion that only senior managers take the credit and therefore the rewards.

4.2.7 Change adoption methods

The respondents were further asked to state the methods that are used to ensure change is adopted by all in Safaricom. From the findings, restructuring, demotions, exits, further trainings, periodic evaluations with a view to find need to increase momentum, comparisons with other better similar establishments and clearly pointing out the difference in results, change in reward system to tie rewards with performance were cited as the change adoption methods.

4.3 Strategic Change Management Challenges

In implementing change the main problem is likely to be carrying the body of the organization with the change (Burnes, 2009). The study asked the interviewees various questions relating to strategic management challenges faced by Safaricom Ltd and obtained various responses. This was meant to indicate the challenges encountered during its reinvention. This will help the company's future change managers and also benefit other mobile and data service providers in Kenya and indeed the region.

4.3.1 Strategic change management Leader

The study sought to determine from the respondents who is involved in strategic change management in Safaricom Limited. According to the respondents, relative to the type of change; every concerned employee/manager is involved in change, with clearly defined leadership and scope.

4.3.2 Employees attitudes towards change

It's one thing to change the commitment of a few senior executives at the top of the organization, and another to convert the body of the organization to an acceptance of significant change. The study therefore sought to investigate whether every employee of Safaricom accepts and supports change.

It was confirmed across the departments that change is generally accepted, though some resistance is normally noted depending on either the nature or outcome of the proposed change. Much of the resistance was noted during actual implementation of change for example delays, diversion of resources, failure to communicate or give timely feedback, key stakeholders either skipping crucial meetings or failing to do their respective parts.

4.3.3 Pre- strategic change management training

A company that trains is inherently forward looking which reduces the frequency of major shocks and fosters an enhanced level of flexibility with which to respond to ,and predict ,emergent opportunities. The respondent were in turn required to indicate if Safaricom Limited carries out management training and development programs before it embarks on a strategic change management program.

Internal trainings such as e-learning, workshops, resource centre, external trainings through certifications for various disciplines are fully supported and enhanced by HR through respective divisional HR partners, consistent local and overseas trainings for specialized fields to enable proficiency at entry level and also before or during introduction of new technology were depicted as the pre- strategic change management training carried out by Safaricom. Additionally management training and development programs were said to be common in Safaricom, both internal and external. The only noted challenge was budgetary issues and business continuity which can't allow managers to be trained at the same time for example MDP programs and is instead done before, during and sometimes extends to post change period.

4.3.4 Strategic change management Departmental support

The respondents were also asked whether they always get the needed support of all other concerned departments/division during change in their department.

The respondents declared that needed support from all other departments/divisions was noted although due to size of the company, this was not always received at the required time. Buy-in time was longer and some changes were regarded as either inferior or their value was not readily acknowledged for example conflict between marketing and

technical whereby commitment given to customers through advertisement was not honored by technical who were the sole implementers.

4.3.4 Cultural issues affecting change management

The study required the respondents to state any cultural issues that affect change management in their department. It was revealed by the respondents that the nature of the business necessitated participation of diverse work force whose management and optimization called for global experience. This negatively affected change for example need for frequent travels back home for expatriates, observance of certain holidays not practiced in Kenya.

However other cultural issues came out as positively impacting change for example there was firm belief in technical and marketing, regulatory and risk which advocated for “getting it right the first time”, customer is king, and general fast deliveries on most change endeavors. Generally culture of perfection was upheld in all divisions although this was cited to cause pressure to other stakeholders’ for example suppliers and contractors.

4.3.5 Success rate of proposed changes

The study also sought to determine how often the proposed changes met the targeted need in Safaricom Ltd and the barriers to meeting the targets. The respondents stated that generally most change efforts met targeted objectives mostly of outdoing competition by superior quality, early delivery. Some departments felt that some changes were hurriedly introduced without considering need for proper planning and failed to meet desired goals.

4.3.6 Challenges faced during strategic change

The respondents were also asked to point out the challenges faced during strategic change. Low or lack of budgetary allocations, time allocated for the change, lack of needed resources for example specialized labour which is either nonexistent or expensive were amongst the challenges mentioned. In addition the respondents said that some changes heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, others leave change midway. Mostly changes are anchored on corporate strategy and which when not communicated properly sometimes becomes a major challenge, others are lack of support and needed capabilities to carry change through, lack of commitment due to existence of commitment gap, change agents lacking a compelling figure of what change is desired. In some cases there was a degree of fear and anxiety during change due to mistrust and this delayed buy in of the proposed change.

4.3.7 Influences of Strategic change management

Asked who influences change in Safaricom Ltd and the kind of change it is, the respondents said that change is mostly influenced by top leadership, but has other times been influenced by market demands, competition, and industry or government regulators, such as CCK. Global trends have also influenced change in Safaricom Ltd. Other stake holders like shareholders like Vodafone who shape top management have influenced change because they have to approve and drive major changes.

4.4 Discussion of findings

From the findings Safaricom Ltd uses various change management practices; this is in line with Newton et al (2003) who stated that approaches to managing change need to

differ according to context. Enhancement of collaboration/participation between departments through group meetings, project matrix structures, restructuring and intentional employment of managers from outside as well as organizing of frequent offsite strategy meetings for all concerned departmental heads and senior middle level managers are such practices. Additionally team building between different sections, departments or divisions sometimes conducted by external trainers was found to be a common practice used especially before or during change.

The findings also indicated that generally, Safaricom Ltd researches on best practices in managing strategic change. They do this through benchmarking with Vodafone among other major telecommunications providers. Some departments were found to have R&D sections for example marketing, products and services, human resource, technical and finance divisions. The study further found out that universal telecommunications best practices are continually used for example ITIL.

From the findings excellent communication is upheld before and during any change through daily staff bulletin, very attractive and beautiful posters are pinned in all conspicuous places including the lifts, office walls, cafeteria and even use of miniaturized posters on every employee's desk. Additionally there are CEOs frequent LIVE broadcast on which every employee logs in and listens real time to the CEO. It was established that through these forum major issues are communicated from one source in a direct way. Collier et al. (2004) argued that such involvement can foster a more positive attitude to change. People will see the constraints the organization faces as less significant and feel increased ownership of, and commitment to, a decision or change process.

Communication through the staff council was also found to be amongst the practices used to pick employees feedback. Observations are channeled through representatives who frequently meet with senior management and issues are deliberated. Another practice instituted by Safaricom is the “Sema Na CEO”, whereby employees directly air issues through mail to the CEO. Moreover, divisional road shows were also found to be as helpful in communicating intended change or progress of the same. Under this practice the senior management reaches out to employees even those away from head office for interactive sessions to communicate change. Goodman and Truss (2004) stress the importance of considering both the content and process of corporate communication in times of change and indeed at all times.

Likewise staff quizzes with handsome prizes were also found to be among the practices that accompany most major changes and this ensures change is communicated to all employees. Similarly t-shirts, shirts and caps are mostly printed and distributed to communicate change as well as promotions and advertisements and team building. Therefore ensuring enhanced communication in times of change is therefore essential (Graetz and Smith, 2005).

From the findings; it enables early awareness of change, it enables early preparations-resourcing, structure change, relocations, acquisition of requisite infrastructure and it also enables to buy-in from members was found to be the role played by communication in strategic change management. Building a supportive climate, Designing behavioral features into the plan for change, Behavioral management of the process (Ansoff and McDonnell, 1990).

The study also found that effective and supporting leadership is available to drive and sustain change: it provides resources, negotiates change, generates and supports momentum, and puts control on progress. It was also found to motivate employees, solves conflicts and support general change management. The executive grouping, led by the chief executive, must support their change agents in their endeavours (Sminia and Van Nistelrooij, 2006). However of 10 divisions, most managers of 3 divisions were found to be of the opinion that their efforts were not fully supported by their managers who had left them by themselves. Apart from unnecessarily exposing them to attack from other dominant stakeholders, it also frustrated them during change. (Johnson & Scholes, 2002) stated that the management of strategic change should involve different roles in the change process, including those of strategic leaders, middle managers and outsiders

The findings established that strategic change management is recognized and celebrated in Safaricom. This is done through good recommendations, cash rewards in form of spot awards and bonuses, parties, promotions, secondments to advance same experience with Vodafone. However some departments were found to be of the view that only senior managers take the credit and therefore the rewards. Thompson and Strickland (2003) points out those managers typically try to enlist organization wide commitment to carrying out strategic change by motivating people and rewarding them for good performance.

Restructuring, demotions, exits, further trainings, periodic evaluations with a view to find need to increase momentum, comparisons with other better similar establishments and clearly pointing out the difference in results, change in reward system to tie rewards with performance were found to be the change adoption methods adopted by Safaricom Ltd.

This is according to further literature which says that major tools include stake holder analysis, action research and the various steps of planned change steps advanced by Kurt Lewin and others. Additionally, the cultural web and force field analysis coined by Lewin (1943) are also useful means of identifying blockages to change and potential levers of change.

The findings established that depending on the type of change every concerned employee/manager is involved in change, with clearly defined leadership and scope. Bolman and Deal, (1999) said that if managers and change agents utilize a well-orchestrated, integrated design that responds to needs for learning, realignment, negotiation, and grieving, they might find themselves in the fast lane toward success and improvement. The need for a powerful organizational member for realizing change is raised by Quinn (2000) with his call for a change leader.

The study also found that across the departments change is generally accepted, though some resistance is normally noted depending on either the nature or outcome of the proposed change. Much of the resistance was found to be during actual implementation of change for example delays, diversion of resources, key stakeholders either skipping crucial meetings or failing to do their respective parts. This concurs with Hayes, (1996); Baird et al., (1990) who argued that employees do not resist all change, only change that they do not understand or that they see as psychologically or economically threatening. Connected to that, the change resistance, which may occur during change efforts – reduction of productivity, work slowdowns, hostility and pessimism regarding goal attainment, can be attributed to several political, cultural, normative, and individual causes (Miller et al., 1994).

Internal trainings such as e-learning, workshops, resource centre, External trainings through Certifications for various disciplines are fully supported and enhanced by HR through respective divisional HR partners, consistent Local and overseas trainings for specialized fields to enable proficiency at entry level and also before or during introduction of new technology were found to be the pre- strategic change management training carried out by Safaricom. Additionally management training and development programs were also found to be common in Safaricom, both internal and external. The only noted challenge was budgetary issues and business continuity which can't allow managers to be trained at the same time for example MDP programs. Peters and Waterman (1982) concur that training is the cornerstone for building knowledge about the change and the required skills. Managers need to develop training requirements based on the skills, knowledge and behaviors necessary to implement the change. For strategic purposes, it is important for organizations to target the development of competences which can provide competitive advantage.

The findings also showed that needed support from all other departments /divisions was available although due to size of the company, this was not always received at the required time. Buy-in time was longer and some changes were established to be either inferior or their value was not readily acknowledged for example was conflict between marketing and technical whereby commitment given to customers through advertisement was not honored by technical who were the sole implementers.

The study also found out that the nature of the business necessitated participation of diverse work force whose management and optimization called for global experience. This negatively affected change for example need for frequent travels back home for

expatriates, observance of certain holidays not practiced in Kenya. However other cultural issues were found to be positively impacting change for example there was firm belief in technical and marketing, regulatory and risk that getting it right the first time, customer is king, and general fast deliveries on most change endeavors. Generally the culture of perfection was found to be upheld in all divisions although this was cited to cause pressure to other stakeholders' for example suppliers and contractors. If strategic change is to succeed, the important changes should take place in the cultural beliefs and assumptions of the organization (Heracleous and Langham, 1996) leading to the cultivation of employee commitment (Unzicker et al., 2000).

Generally most change efforts were found to meet targeted objectives mostly of outdoing competition by superior quality, "wowing the customers" and early delivery. Some departments were found to be of the view that some changes were hurriedly introduced without considering the need for proper planning and failed to meet desired goals. This is in line with Piderit (2000) who states that successful organizational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance.

Low or lack of budgetary allocations, time allocated for the change, lack of needed resources for example specialized labour which is either nonexistent or expensive were amongst the challenges mentioned. In addition the respondents said that some changes heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, others leave change midway. Mostly changes are anchored on corporate strategy and which when not communicated properly sometimes becomes a major challenge, others are lack of support and needed capabilities to carry change

through, lack of commitment due to existence of commitment gap, change agents lacking a compelling figure of what change is desired. In some cases there was a degree of fear and anxiety during change due to mistrust and this delayed buy in of the proposed change.

Change was found to be mostly influenced by top leadership, but has other times been influenced by market demands, competition, and industry or government regulators such as CCK. Global trends were also found to have also influenced change in Safaricom ltd. Other stake holders such as shareholders like Vodafone who shape top management were also established to have influenced change because they have to approve and drive major changes. Connected to that Balogun and Hailey (2008) stated that change leader or change agent function can be realized by the chief executive, or even a team of people who are responsible for managing the change process. Kanter (1983) adds that not only change agents but also ideal champions are necessary to promote and support new ideas.

CHAPTER FIVE

SUMMARY, DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. This study focused on strategic change management practices and challenges at Safaricom Limited, Kenya. This study had two objectives: to establish strategic management practices adopted by Safaricom Ltd and any challenges encountered in managing strategic change at Safaricom Limited.

5.2 Summary of findings

5.2.1 Strategic management practices

From the findings Safaricom Ltd indeed uses change management practices such as enhancement of collaboration/participation between departments through group meetings, project matrix structures, restructuring and intentional employment of managers from outside as well as organizing of frequent offsite strategy meetings for all concerned departmental heads and middle level managers. Additionally team building between different sections, departments or divisions sometimes conducted by external trainers was found to be a common practice used especially before or during change.

The findings also revealed that generally, Safaricom Ltd researches on best practices in managing strategic change. They do this through benchmarking with Vodafone among other major telecommunications providers. Some departments were found to have R&D sections for example marketing, technical, products and services, strategy & innovation

divisions. The study further found out that universal telecommunications best practices are continually used for example (Information Technology Infrastructure Library) ITIL.

The findings established that excellent communication is upheld before and during any change through daily staff bulletin, very attractive and beautiful posters being pinned in all conspicuous places including the lifts, office walls, cafeteria and even use of miniaturized posters on every employee's desk. Additionally there are frequent CEOs LIVE broadcast on which every employee logs in and listens real time to the CEO. It was established that through these forums major issues are communicated from one source in a direct way.

Communication through the staff council was also found to be amongst the practices used to pick employees feedback. Observations are channeled through representatives who frequently meet with senior management and issues are deliberated. Another practice instituted by Safaricom is the "Sema Na CEO", whereby employees directly air issues through mail to the CEO. Moreover, divisional road shows were also found to be as helpful in communicating intended change or progress of the same. Under this practice the senior management reaches out to employees even those away from head office for interactive sessions to communicate change.

Likewise staff quizzes with handsome prizes were also found to be amongst the practices that accompany most major changes and this ensures change is communicated to all employees. Similarly t-shirts, shirts and caps are mostly printed and distributed to communicate change as well as promotions and advertisements and team building.

According to the findings; it enables early awareness of change, it enables early preparations-resourcing, structure change, relocations, acquisition of requisite infrastructure and it also enables to buy-in from members was found to be the role played by communication in strategic change management.

The study also found out that effective and supporting leadership is available to drive and sustain change. The leadership provides resources, negotiates change, generates and supports momentum, and puts control on progress. It was also found to motivate employees, solves conflicts and support general change management. However of 10 divisions, most managers of 3 divisions were found to be of the opinion that their efforts were not fully supported by their managers who had left them by themselves. Apart from unnecessarily exposing them to attack from other dominant parties, it also frustrated them during change.

The findings also established that strategic change management is recognized and celebrated in Safaricom. This is done through good recommendations, cash rewards in form of spot awards and bonuses, parties, promotions, secondments to advance same experience with Vodafone. However some departments were found to be of the view that only senior managers take the credit and therefore the rewards.

Restructuring, demotions, exits, further trainings, periodic evaluations with a view to find need to increase momentum, comparisons with other better similar establishments and clearly pointing out the difference in results, change in reward system to tie rewards with performance were found to be the change adoption methods adopted by Safaricom Ltd.

5.2.2 Strategic Change Management Challenges

The findings established that depending on the type of change every concerned employee/manager is involved in change, with clearly defined leadership and scope.

The study also found out that across the departments change is generally accepted, though some resistance is normally noted depending on either the nature or outcome of the proposed change. Much of the resistance was found to be during actual implementation of change for example delays, diversion of resources, key stakeholders either skipping crucial meetings or failing to do their respective parts.

Internal trainings such as use of e-learning materials, workshops, resource centre, external trainings through certifications for various disciplines are fully supported and enhanced by HR through respective divisional HR partners, consistent local and overseas trainings for specialized fields to enable proficiency at entry level and also before or during introduction of new technology were found to be the pre- strategic change management training carried out by Safaricom. Additionally management training and development programs were also found to be common in Safaricom, both internal and external. The only noted challenge was budgetary issues and business continuity which can't allow managers to be trained at the same time for example MDP programs. This is instead done before, during and sometimes extends to post change period.

The findings also showed that needed support from all other departments /divisions was available although due to size of the company, this was not always received at the required time. Buy-in time was longer and some changes were established to be both inferior or their value was not readily acknowledged for example conflict between

marketing and technical whereby commitment given to customers through advertisement was not honored by technical who were the sole implementers.

The study also found out that the nature of the business necessitated participation of diverse work force whose management and optimization called for global experience. This negatively affected change for example need for frequent travels back home for expatriates, observance of certain holidays not practiced in Kenya. However other cultural issues were found to be positively impacting change for example there was firm belief in technical and marketing, regulatory and risk that getting it right the first time, customer is king, and general fast deliveries on most change endeavors. Generally the culture of perfection was found to be upheld in all divisions although this was cited to cause pressure to other stakeholders' for example suppliers and contractors.

Generally most change efforts were found to meet targeted objectives mostly of outdoing competition by superior quality, wowing the customer, early delivery. Some departments were however found to be of the view that some changes were hurriedly introduced without considering the need for proper planning and failed to meet desired goals.

Low or lack of budgetary allocations, time allocated for the change, lack of needed resources for example specialized labour which is either nonexistent or expensive were amongst the challenges found to face strategic change. In addition the respondents said that some changes heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, others leave change midway. Mostly changes are anchored on corporate strategy and which when not communicated properly sometimes becomes a major challenge, others challenges established to face strategic

change were lack of support and needed capabilities to carry change through, lack of commitment due to existence of commitment gap, change agents lacking a compelling figure of what change is desired. In some cases there was a degree of fear and anxiety during change due to mistrust and this delayed buy in of the proposed change. Some changes heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, and others leave change midway. Mostly changes are anchored on corporate strategy and which when not communicated properly sometimes becomes a major challenge, others are lack of support and needed capabilities to carry change through, lack of commitment due to existence of commitment gap, change agents lacking a compelling figure of what change is desired. In some cases there was a degree of fear and anxiety during change due to mistrust and this delayed buy in of the proposed change.

Change was found to be mostly influenced by top leadership, but has other times been influenced by market demands, competition, and industry or government regulators such as CCK. Global trends were also found to have also influenced change in Safaricom Ltd. Other stake holders such as shareholders like Vodafone who shape top management were also established to have influenced change because they have to approve and drive major changes.

5.3 Conclusion of the study

The study concluded that Safaricom Ltd uses various change management practices such as enhancement of collaboration/participation between departments through group meetings, project matrix structures, restructuring and intentional employment of managers from outside as well as organizing of frequent offsite strategy meetings for all

concerned departmental heads and senior middle level managers are such practices. Additionally team building between different sections, departments or divisions sometimes conducted by external trainers was also a common practice used especially before or during change.

The study also concluded that generally, Safaricom ltd researches on best practices in managing strategic change. They do this through benchmarking with Vodafone among other major telecommunications providers. Some departments have R&D sections for example marketing, products and services, hr, technical and finance divisions. The study further concluded that universal telecommunications best practices are continually used for example ITIL.

From the study excellent communication is upheld before and during any change through daily staff bulletin, very attractive and beautiful posters being pinned in all conspicuous places including the lifts, office walls, cafeteria and even use of miniaturized posters on every employee's desk. Additionally there are frequent LIVE CEOs broadcast on which every employee logs in and listens real time to the CEO. The study concluded that through these forums major issues are communicated from one source in a direct way.

Communication through the staff council was also concluded to be amongst the practices used to pick employees feedback. Observations are channeled through representatives who frequently meet with senior management and issues are deliberated. Another practice instituted by Safaricom is the "Sema Na CEO", whereby employees directly air issues through mail to the CEO. Moreover, divisional road shows were also concluded to be as helpful in communicating intended change or progress of the same.

Likewise staff quizzes with handsome prizes were also concluded to be among the practices that accompany most major changes and this ensures change is communicated to all employees. Similarly t-shirts, shirts and caps are mostly printed and distributed to communicate change as well as promotions and advertisements and team building.

From the findings; it enables early awareness of change, it enables early preparations-resourcing, structure change, relocations, acquisition of requisite infrastructure and it also enables to buy-in from members was concluded to be the role played by communication in strategic change management.

The study also concluded that effective and supporting leadership is available to drive and sustain change: it provides resources, negotiates change, generates and supports momentum, and puts control on progress. It was also concluded to motivate employees, solves conflicts and support general change management. However of 10 divisions, most managers of 3 divisions were concluded to be fully supported by their managers who had left them by themselves.

The study additionally concluded that strategic change management is recognized and celebrated in Safaricom. This is done through good recommendations, cash rewards in form of spot awards and bonuses, parties, promotions, to advance same experience with Vodafone. However some departments were concluded to be of the view that only senior managers take the credit and therefore the rewards.

Restructuring, demotions, exits, further trainings, periodic evaluations with a view to find need to increase momentum, comparisons with other better similar establishments and clearly pointing out the difference in results, change in reward system to tie rewards with

performance were concluded to be the change adoption methods adopted by Safaricom Ltd. The study concluded that depending on the type of change every concerned employee/manager is involved in change, with clearly defined leadership and scope.

The study also concluded that across the departments change is generally accepted, though some resistance is normally noted depending on either the nature or outcome of the proposed change. Much of the resistance was concluded to be during actual implementation of change for example delays, diversion of resources, key stakeholders either skipping crucial meetings or failing to do their respective parts.

Internal trainings such as e-learning, workshops, resource centre, external trainings through certifications for various disciplines are fully supported and enhanced by HR through respective divisional HR partners, consistent local and overseas trainings for specialized fields to enable proficiency at entry level and also before or during introduction of new technology were concluded to be the pre- strategic change management training carried out by Safaricom. Additionally management training and development programs were also concluded to be common in Safaricom, both internal and external. The only noted challenge was budgetary issues and business continuity which can't allow managers to be trained at the same time for example MDP programs.

The study further concluded that needed support from all other departments /divisions was available although due to the size of the company, this was not always received at the required time. Buy-in time was longer and some changes were established to be either inferior or their value was not readily acknowledged for example conflict between

marketing or technical whereby commitment given to customers through advertisement was not honoured by technical who were the sole implementers.

The study also concluded that the nature of the business necessitated participation of diverse work force whose management and optimization called for global experience. This negatively affected change for example need for frequent travels back home for expatriates, observance of certain holidays not practiced in Kenya. However other cultural issues were concluded to be positively impacting change for example there was a firm belief in technical and marketing, regulatory and risk that getting it right the first time, customer is king, and general fast deliveries on most change endeavors. Generally the culture of perfection was concluded to be upheld in all divisions although this was cited to cause pressure to other stakeholders' for example suppliers and contractors.

Generally most change efforts were concluded to meet targeted objectives mostly of outdoing competition by superior quality, early delivery. Some departments were concluded to be of the view that some changes were hurriedly introduced without considering the need for proper planning and failed to meet desired goals. Low or lack of budgetary allocations, time allocated for the change ,lack of needed resources for example specialized labour which is either nonexistent or expensive were amongst the challenges concluded to face Safaricom Ltd in relation to strategic management.

Besides some changes were concluded to heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, and others leave change midway. Mostly changes were established to be anchored on corporate strategy and, which when not communicated properly sometimes becomes a major challenge.

Others were lack of support and therefore needed capabilities to carry change through, sometimes there is lack of commitment due to existence of commitment gap, if change agents lack a compelling figure of what change is desired. In some cases there was a degree of fear and anxiety during change due to mistrust and this delayed buy in of the proposed change.

Change was concluded to be mostly influenced by top leadership, but has other times been influenced by market demands, competition, and industry or government regulators, CCK. Global trends were also found to have also influenced change in Safaricom Ltd. Other stake holders such as shareholders like Vodafone who shape top management were also established to have influenced change because they have to approve and drive major changes. All this confirm why Safaricom has remained a market leader in telecommunication industry in Kenya amid severe competition beside other challenges.

This study found out the best practices and also the challenges encountered by Safaricom during its continuous reinvention. The findings help the company's future change managers and also benefit other mobile and data service providers in Kenya and indeed the region. The telecommunication's industry regulator, especially the CCK, benefits during policy formulation and implementation in leveling the telecommunications sector players. New players in the market will adopt effective strategic change management practices which will enhance their survival and competitiveness in a global environment.

5.4 Recommendations

Of 10 divisions, most managers of 3 divisions were concluded not to be fully supported by their managers who had left them by themselves. The study therefore recommends that leaders must exhibit, and encourage within others, without a bias for action.

Although strategic change management is recognized and celebrated in Safaricom some departments were concluded to be of the view that only senior managers take the credit and therefore the rewards. The study therefore recommends individual and group recognition as a necessary component of change management in order to cement and reinforce the change in the organization.

Needed support from all other departments/divisions was affected by the size of the company, in terms of delay. The study therefore recommends buy-in time be shortened and a critical review of changes.

The study also recommends sufficient allocation of resources for example specialized labour which is nonexistent or expensive, sufficient budgetary allocations and sufficient time allocation for the change, to facilitate the strategic change management process as well as proper planning to avoid failure to meet desired goals. Changes that heavily rely on external contractors who fail to understand the intended change, others get it right but deliver late, and others leave change midway should also be reviewed.

The study also recommends that changes anchored on corporate strategy be communicated properly. Other challenges such as lack of support on needed capabilities to carry change through, lack of commitment due to existence of commitment gap, agents lack a compelling figure of what change is desired also need to be counteracted in order to ensure a smooth adoption process of strategic changes in order to gain a competitive edge in the industry.

5.5 Limitations of the Study

This research was a case study and therefore the research was limited to Safaricom Limited, Kenya. Thus the findings on strategic change management practices and challenges are limited only to Safaricom Limited, Kenya and as such they cannot be generalized as remedies to other firms.

The study focused on interviewing some of the very busy executive team members and scheduling appropriate interview timings was a challenge, in some instances we had to keep rescheduling the interviews. However, the study eventually managed to interview obtains information from the key decision makers of the company. It's also important to note that the data collected from the respondents may have suffered from personal biases and may therefore not fully represent the opinion of Safaricom Limited, Kenya in some cases.

5.6 Suggestions for further Research

This study sought to establish strategic management practices adopted by Safaricom Ltd and to establish any challenges encountered in managing strategic change at Safaricom Limited. Further research is recommended based on the strategic management practices and the challenges in other companies in mobile telecommunication industry in Kenya as well as East Africa. This will allow for generalization of the results.

The study recommends further research on other perceived factors that influence adoption and implementation of strategies in mobile telecommunication industry

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APPENDICES

APPENDIX I INTRODUCTION LETTER

Dear Sir/Madam,

PERMISSION TO CARRY OUT RESEARCH ON THE CHALLENGES AND PRACTICES OF STRATEGIC CHANGE MANAGEMENT

I would wish to request for permission to carry out a research at your esteemed company on the topic: Strategic change management challenges and practices.

I am a student at the University of Nairobi, School of Business and the research is aimed at fulfilling requirements for the award of the degree of masters of Business Administration.

This study is purely for academic purposes and its findings, which will be made available to you, will not be in any way used in ways detrimental to your organization.

I am looking forward to a favorable response.

Yours sincerely

PETER NZOMO MUEMA

APPENDIX II

INTERVIEW QUESTIONS

PART A: ORGANIZATIONAL PROFILE

Employee name: _____

Employment title: _____

Department: _____

Year of joining: _____

PART C: STRATEGIC CHANGE MANAGEMENT PRACTICES AT SAFARICOM LIMITED

1. Are there any change management practices used in Safaricom? If so, what are the some of the practices?

2. Does Safaricom Limited continuously research on best practices in managing strategic change? If so, are the best practices applied in your department?

3. How and when is Strategic change communicated in Safaricom Limited?

4. What is the role of communication in the strategic change management process?

5. In your opinion, do you think there is effective leadership as pertains strategic change management in Safaricom Ltd.? What role is played by leadership in managing change in Safaricom?

6. Is strategic change success celebrated in Safaricom? If so how is it celebrated?

7. What methods are used to ensure change is adopted by all in Safaricom?

8. How is successful change management rewarded in Safaricom?

PART B: STRATEGIC CHANGE MANAGEMENT CHALLENGES AT SAFARICOM LIMITED

9. Who is involved in strategic change management in Safaricom Limited?

10. Does every employee of Safaricom accept and support change?

11. Does Safaricom Limited carry out management training and development programs before it embarks on a strategic change management program?

12. Do you always get the needed support of all other concerned departments/division during change in your department?

13. Do you face any cultural issues that affect change management in your department? If so which are they?

14. How often does proposed change meet the targeted need in Safaricom Ltd.? If no, why do you think so?

15. What are some of the challenges faced during strategic change?

16. Who influences change in Safaricom Ltd? If any is it positively or negatively?