

**FACTORS INFLUENCING CHANGE MANAGEMENT PRACTICES IN  
THE TELECOMMUNICATION INDUSTRY IN KENYA**

**BY**

**OCHARO ALICE KERUBO**

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# DECLARATION

## STUDENT'S DECLARATION

I declare that the work contained in this project is my original work and has not been previously, in its entirety or in part, been presented at any other University for a degree requisite.

Signature.....

Date.....

OCHARO ALICE KERUBO

D61/7006/2007

## SUPERVISOR'S DECLARATION

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

Signature-----

Date-----

JEREMIAH KAGWE

Department of Business Administration

School of Business

University of Nairobi

## **DEDICATION**

I dedicate this research project to Almighty God for His grace, mercy and blessings that have seen me through this programme.

To my parents Stephen and Priscillah Ocharo, through whose life-long sacrifice I am where I am today.

To my sister Carol and brothers Martin and Frank who have always been there for me.

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## **ABSTRACT**

It is now a fact that change is a necessity in private as well as public sector and every organization must change with the environment, otherwise it will become irrelevant. There is a fundamental similarity of the change process across organizations, industries, structures in different countries, continents and globally that makes change management a task, a process, and an area of professional practice. The telecommunication industry in Kenya, just like the rest of the world, is going through profound changes, resulting in new markets, new players, and new challenges. The objective of this study was to investigate the factors influencing change management practices in the telecommunication industry in Kenya. For purposes of this study, a cross-sectional survey design was applied and data was collected from various firms of different demographics, and comparisons made. The study targeted all the telecommunication companies in Kenya. Currently there are four namely Safaricom, Airtel Kenya, Orange and Yu Mobile. Majority of the respondents described change in relation to a company's growth and survival as good to business while few of the respondents termed it as a threat and irrelevant to business. The results of the research show that generally in the telecommunication industry, changes in management practices have been taken positively and have positively spurred the growth of the industry. This has led to better service delivery to the consumers and lower cost of the services. In conclusion, the study found that the telecommunication industry provides many services to businesses and consumers, and therefore any changes in its management practices affect not only the telecommunication industry but a wide variety of businesses as well. This research study recommends therefore that any changes in change management practice should be done cautiously and with utmost care. Effective communication was found to be extremely useful in any change management implementation efforts and this is in agreement with previous studies in this area. Also legislation needs to be put in place to not only promote an enabling business environment for the telecommunication firms in the country, but also to protect consumers from exploitation.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

In an ever-changing global economy, Johnson and Scholes (2003) note that organizations must find ways of operating by developing new competencies as the old competitive advantage and competencies gained are quickly eroded owing to environmental changes. Due to the fact that changes are a necessity in private as well as public sector, every organization must change with the environment, otherwise it would become irrelevant. Rose and Lawton (1999) observe that changes in the service institutions arise out of the need for efficiency, economy, effectiveness, performance evaluation, ethics and market concerns.

Rising demand for services and expectations of quality of those services have placed extreme pressure on managers and their organisations, depicting change as a continuous episode in the life of corporations. Dawson (2003) sees change as a complex, on-going dynamic in which the politics, substance and context of change all interlock and overlap, and in which our understanding of the present and expectations of the future can influence our interpretation of past events, which may in turn shape our experience of change.

Since the beginning of the liberalisation of the telecommunications sector in Kenya in 1999, the country has seen fast internet growth and even faster mobile phone growth (Telecommunications and IT overview, 2013). The establishment of the Communications Commission of Kenya (CCK) in February of that year was of vital importance to this process. The role of the CCK is to license and regulate telecommunication, radio communication and postal services in Kenya. 78 percent of the Kenyan population of 41.6 million owns a mobile phone (July 2013), compared to only 251,000 that have a landline (Silicon Savannah: Top trends for the Kenyan mobile, internet and tech markets, 2013). Related to this is internet usage, where at the end of 2012, 41 percent of Kenyans were connected to the internet, compared to 22.7 percent just a year before that in December 2011. Much of this growth has been made possible by strong national leadership. The Kenyan government has included ICT in its Vision 2030 Plan and, as well as driving the growth of bandwidth access, Kenya was the first country to introduce a government open data portal.

### **1.1.1 Concept of Change Management**

According to Jeff (2007), change management is the process, tools and techniques used to manage the people side of business in order to achieve the required business outcomes and also to ensure that business changes effectively within the social infrastructure of the workplace. However, according to Nickols (2006), the overall process of change and change management remain pretty much the same. Thus it is this fundamental similarity of the change processes across organizations, industries, structures in different countries, continents and globally that makes change management a task, a process, and an area of professional practice.

Organizational change is a socially constructed reality with negotiated meaning as outcomes of power relationships and struggles for supremacy (Grant, 2005). Between the lines, a particular strategy is primarily about power and control, dominance and supremacy, whose access to resources will be enlarged or reduced, who can stay and who has to go. Benjamin and Mabey (1993) point out that while the primary stimulus for change remains those forces that are in the external environment, the primary motivator for how change is accomplished resides with the people within the organization. Changes in the external environment require the organization to make choices over how and when to respond. Such responses should promote throughout the organization an extensive and deep understanding of strategy, structure, people, style and culture, and in addition how these function either as sources of inertia that can block change, or alternatively, as levers to encourage an effective change process (Dawson, 2003; Pettigrew, 1997; Wilson, 1992).

### **1.1.2 Change Management Practices**

Change management is a set of processes that are employed to ensure that significant changes are implemented in an orderly, controlled and systematic fashion to effect organizational change (Mullins, 2005). One of the goals of change management is with regard to the human aspects of overcoming resistance to change in order for organizational members to buy into change and achieve the organization's goal of an orderly and effective transformation (Diefenbach, 2006a). The introduction of change brings in a lot of resistance and conflict with the employees. This is because any change in 'status quo' brings in apprehension as no one knows what the outcome may be.

The change process in any organization normally happens due to the awareness of the need for change. In the recent years especially, the nature of change has increased in degree and pace. In this regard, an organization has first to identify the factors that have created this necessity for change, identify their characteristics and then determine how the changes will be done. The factors that contribute to change range from cost reduction, redundancies, technological and cultural change, and performance improvement. There is much research reporting on implementation of change programmes where the resulting picture is far from a replica of a discrete set of economic, structural and technological contingencies (Senge, 1990; Pettigrew, 1992).

### **1.1.3 Telecommunication Industry in Kenya**

The telecommunications industry in Kenya, just like the rest of the world, is going through profound changes (Telecommunication industry: Overview of the sector in Kenya, 2011). In the recent past, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital - much of it originating from private sector participants.

The result is new markets, new players, and new challenges. Market liberalization efforts have also picked up, ensuing in the successful partial privatization of Telkom Kenya Limited (2008), and divestment of Government of Kenya's 25% stake in Safaricom Limited through a public listing (March 2008), and the launch of a fourth mobile operator Yu Mobile (December 2008). This has resulted into some of the world's best known telecommunication providers being major players in the Kenyan market; Vodafone and France Telecoms through their investments in Safaricom Limited and Telkom Kenya Limited (brand name Orange) respectively, while Bharti Airtel and Essar Communications have a presence in the Kenyan market as Airtel Kenya and Yu Mobile respectively (Communications Commission of Kenya (CCK), 2012).

As mentioned above, there are four major players in the telecommunication industry in Kenya: Safaricom Limited, Airtel Networks Kenya Limited, Telkom Kenya Limited under its brand name Orange, and Essar Telecom Kenya Limited under its brand name Yu (List of mobile network operators of the Middle East and Africa, 2013). Safaricom is the leading mobile operator in Kenya (Safaricom, 2013), and with over 18 million subscribers, Safaricom

is the biggest company not only in Kenya but in the East and Central African region (The top six biggest companies in Kenya and their shareholders, 2013). Safaricom 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 percent stake and management responsibility for the company. The remaining 60 percent is owned by individual and corporate investors who are mostly Kenyans. The company's main products that generate the chunk of its revenue are voice, data and money transfer services. The company may not be offering cheaper calling rates like its competitors such as Airtel and Orange, but what has made Safaricom the darling of Kenyan mobile phone users is the award-winning M-pesa mobile money transfer service.

Airtel was launched in Kenya in the year 2000 as Kencell and rebranded to Zain in 2008 and finally Airtel in 2010 (About Bharti Airtel, 2011). On 8 June 2010, the Indian company Bharti Airtel completed a deal to buy Zain's businesses in 15 African countries for \$10.7 billion. Airtel Kenya is the second largest telecommunications mobile phone operator in Kenya with 4 million subscribers as at January 15, 2011. Next in ranking is Telkom Kenya Limited. This was established as a telecommunications operator under the Companies Act in April 1999 (History of Telkom Kenya, 2011). Telkom Kenya's partnership with France Telecom Group saw the launch of the Orange brand in Kenya in 2008. The company provides integrated communications solutions in both voice and data services as well as network facilities for residential and business customers. As at June 2011, the company had a customer base of 2.8 million customers.

Essar Telecom Kenya is Kenya's fourth mobile cellular network under the brand "Yu Mobile", launched in December 2008 (About Essar Telecom Kenya Limited, 2013). The Essar Group is a multinational conglomerate and a leading player in the various sectors of industry, with operations in more than 25 countries. Yu Mobile achieved the fastest roll out speed in the region by achieving country wide coverage in approximately 10 months from launch. The network has a customer base of 2.6 million customers as of March 2012 (CCK, 2012).

## **1.2 Research Problem**

There is convincing empirical evidence that change management practice is on the agenda not only in industrialized Western nations such as the USA and Canada, the UK and continental Europe, Australia and New Zealand (Torres, 2004), but also in many industrialized and even developing countries in Asia and Africa. It is a global phenomenon. In spite of the attention that the management of change has received, organizations continue to have problems in managing organizational change and the search for generalized laws of change still pervades the discipline (Wilson, 1992).

The telecommunication industry in Kenya now faces a dramatically new environment of dynamic opportunities, possibilities and challenges. One of the key tasks in this emerging environment is to create new value while simultaneously retaining customers (Knowledge management for the telecommunications industry, 1999). There is evidence to suggest that the universal model of change management is inadequate to describe the diversity of approaches actually used by the telecommunication industry (Chapman, 2005).

Studies in change management practices have been done in Kenya. Gekonge (1999) conducted a survey of the strategic change management practices by Kenyan companies listed by the Nairobi Stock Exchange (NSE) - now the Nairobi Securities Exchange. Elias (2009) did a research on employees' commitment in times of change, and found no support for the idea that employees that were more committed to the organization were also more likely to react more positively to the change. Bwibo (2000) did a survey of strategic change management practices within Non-Governmental Organizations in Kenya. Sikasa, (2004) carried out a study on customer perception of change management practices in the mortgage industry in the case of Housing Finance Corporation of Kenya (HFCK), while Otiso (2008) studied strategic change management practices in the case of Africa Merchant Assurance Company (AMACO). Nzoka (2005) focused on factors affecting change implementation in the Kenya Revenue Authority (KRA) and found that there was need for management commitment in the change process. As can be evidenced in the above studies, few, if any studies capture change management in the telecommunication industry in Kenya. Thus, this study will try to fill the research gap that exists by carrying out an investigation into the factors influencing change management practices in the telecommunication industry in Kenya. This study will therefore seek to answer the question; what are the factors influencing change management practices in the telecommunication industry in Kenya?

### **1.3 Objective of the Study**

The objective of the study is to investigate the factors influencing change management practices in the telecommunication industry in Kenya.

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

The study will be of importance to telecommunication institutions whose interest lies on improved service delivery for customer satisfaction in today's highly competitive market. It will assist the institutions in pointing out areas of difficulties in the allocating of resources towards addressing priority needs. The study will also help the institutions in formulating policies in areas that necessitate strategic change management. In addition, the findings of this study will be important to practitioners both in the private and public sector as they may apply lessons in planning and implementing future changes.

The study will be of benefit to the Kenyan government as it will assist policy makers in formulating laws to regulate the telecommunication sector that will not only promote an enabling business investment environment, but also protect consumers from exploitation by the industry players. The government may also use the research findings to improve the socio-economic status of the country which will be in line with its Vision 2030 main objectives of turning Kenya into a globally competitive nation with high quality of life. This may be achieved through implementation of incentives that encourage innovation and embrace change in the telecommunication industry.

The findings of the study will be of use to trainers in strategic management in that it will assist them in knowing the areas which should be given concentration when training managers on change management. In addition, the results of the study will be important to academicians by contributing to the existing body of knowledge in the area of strategic management in general and change management practices in particular. The findings may be used as a platform for further research to build on this area of study.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter discusses the literature available in the area of change management and change management practices. It also covers specific areas such as models and theory of change management, and factors influencing change management practices. Reference will be made to previous authors in this area and will be used to relate to the topic under study.

### **2.2 Models and Theory of Change Management**

This section discusses various models of change management including ADKAR (Awareness, Desire, Knowledge, Ability and Reinforcement), PCT Model (Project Change Triangle) and Kotter's Model. In addition, a discussion on the theory of change management is included.

#### **2.2.1 ADKAR Model of Change Management (Awareness, Desire, Knowledge, Ability and Reinforcement)**

The ADKAR model was first published by Prosci in 1998 after research with more than 300 companies undergoing major change projects. In 2006, Prosci released the first complete text on the ADKAR model, an acronym for Awareness, Desire, Knowledge, Ability and Reinforcement (Jeff, 2006). This model was intended to be a coaching tool to help employees through the change process. ADKAR describes successful change at the individual level. When an organization undertakes an initiative, that change only happens when the employees who have to do their jobs differently have the Awareness, Desire, Knowledge, Ability and Reinforcement to make the change happen (Westwood and Linstead, 2001).

ADKAR is a goal-oriented change management model that allows change management teams to focus their activities on specific business results. The model was initially used as a tool for determining if change management activities like communication and training were having the desired results during organizational change. The model has its origins in aligning traditional change management activities to a given result or goal. For example, awareness of the business reasons for change is a goal of early communication related to a business change (Tichy, 1983). Desire to engage and participate in the change is the goal of sponsorship and resistance management. Knowledge about how to change is the goal of training and coaching.



By identifying the required outcomes or goals of change management, ADKAR becomes a useful framework for change management teams in the planning and execution of their work. The goals or outcomes defined by ADKAR are sequential and cumulative. An individual must obtain each element in sequence in order for a change to be implemented and sustained. This results-oriented approach helps focus energy on the area that will produce the highest probability for success. ADKAR helps organizations plan effectively for a new change or diagnose why a current change is failing. In some cases, corrective action can be taken and the change successfully implemented.

### **2.2.2 PCT Model (Project Change Triangle)**

This change management model is based on Prosci's PCT Model (Project Change Triangle) - the application of the tools, processes, techniques and principles for managing the "people" side of the project or initiative to achieve a desired outcome (Jeff, 2006). While the Project Management corner is focused on the tasks related to designing and developing a solution, the Change Management corner's focus is how to encourage employees to embrace and adopt that solution. Many times, this corner is what is missing when a project is implemented and meets technical requirements, but does not deliver the ultimate value to the organization.

The tools, processes, techniques and principles that make up change management are aimed at helping each impacted employee move from their own personal current state to their own personal future state. It is individuals changing how they do work that ultimately results in a project or initiative delivering value to the organization. There are many characteristics of the individual current state and individual future state that can impede or inhibit successful change. The Change Management corner of the PCT Model provides a systematic approach to addressing these issues (Pearce and Robinson, 2003).

### **2.2.3 Kotter's Model on Change Process**

Kotter (1995) developed a list of factors that he believes lead to successful changes, and those that lead to failure. He devised an eight step method where the first four steps focus on de-freezing the organization, the next three steps make the change happen, and the last step re-freezes the organization with a new culture. When people need to make big changes significantly and effectively, he says that this goes best if the eight steps happen in order. The most general lesson to be learned from the more successful cases is that the change process

goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps only creates the illusion of speed and never produces satisfactory results, and making critical mistakes in any of the phases can have a devastating impact, slowing momentum and negating hard-won gains. Kotter summarizes the various phases as follows.

The first step is establishing a sense of urgency. This involves talking about change. It typically begins with some people noticing vulnerability in the organization. The threat of losing ground in some way spurs these people into action, and they in turn try to communicate that sense of urgency to others. Kotter (1995) notes that over half the companies he has observed have never been able to create enough urgency to prompt action. Without motivation, people won't help and the effort goes nowhere. Executives underestimate how hard it can be to drive people out of their comfort zones. In the more successful cases the leadership group facilitates a frank discussion of potentially unpleasant facts: about the new competition, flat earnings, decreasing market share, or other relevant indicators. Kotter (1995) suggests that urgency is enough when 75% of leadership is honestly convinced that business as usual is no longer an acceptable plan.

Next is forming a powerful guiding coalition. Change efforts often start with just one or two people, and should grow continually to include more and more who believe the changes are necessary. The need in this phase is to gather a large enough initial core of believers. This initial group should be powerful in terms of the roles they hold in the organization, the reputations they have, the skills they bring and the relationships they have. Regardless of size of the organization, the "guiding coalition" for change needs to have 3-5 people leading the effort. This group, in turn, helps bring others on board with the new ideas. Involving respected leaders in this coalition will pay great dividends later (Reed et al, 2000).

The third step involves communicating the vision. Kotter (1995) suggests that the leadership should estimate how much communication of the vision is needed, and then multiply that effort by a factor of ten. Successful transformation rests on a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees. A vision helps clarify the direction in which an organization needs to move. The vision functions in many different ways: it helps spark motivation, it helps keep all the projects and changes aligned, it provides a filter to evaluate how the organization is doing, and it provides a rationale for the changes the organization will have to weather.

The following step is empowering others to act on the vision. This entails several different actions such as allowing organization members to make changes in their areas of involvement, allocating budget money to the new initiative, carving out time on meeting agendas to talk about the vision, and changing the way work is organized to put people where the effort needs to be made. This may involve freeing up key people from existing responsibilities so they can concentrate on the new effort. According to Armstrong (2006), people will always resist change because it is seen as a threat to familiar patterns of behavior as well as to status and financial rewards.

The fifth step is all about removing obstacles: This involves putting in place the structure for change, and continually checking for barriers to it. Removing obstacles can empower the people that are needed to execute the new vision, and it can help the change process move forward (Kotter, 1995). Identify, or hire, change leaders whose main roles are to deliver the change. Look at the organizational structure, job descriptions, and performance and compensation systems to ensure they are in line with the vision. Recognize and reward people for making change happen. Identify people who are resisting the change, and help them see what is needed. Finally, take action to quickly remove barriers, human or otherwise.

The next step involves planning for short-term wins. Since real transformation takes time, the loss of momentum and the onset of disappointment are real factors. Most people will not go on a long march for change unless they begin to see compelling evidence that their efforts are bearing fruit. Herscovitch and Meyer (2002) argue that to be effective, change should be multi-disciplinary, touching all aspects of the organization. In successful transformation, leaders actively plan and achieve some short term gains which people will be able to see and celebrate. This provides proof to organization members that their efforts are working, and adds to the motivation to keep the effort going.

The seventh step is consolidating improvements and sustaining the momentum for change. As Kotter (1995) warns, "Do not declare victory too soon". Again, a premature declaration of victory kills momentum, allowing the powerful forces of tradition to regain ground. Leaders of successful efforts use the feeling of victory as the motivation to delve more deeply into their organization: to explore changes in the basic culture, to expose the systems relationships of the organization which need tuning, to move people committed to the new ways into key roles. Leaders of change must go into the process believing that their efforts will take years.

The eighth and last step involves institutionalizing the new approaches. Research undertaken by Paton and McCalman (2000) indicated that one-half to two-thirds of all major corporate change efforts fail and resistance is the little-recognized but critically important contributor to that failure. Change sticks when it becomes "the way we do things around here", when it seeps into the bloodstream of the corporate body. Until new behaviors are rooted in social norms and shared values, they are subject to degradations as soon as the pressure for change is removed. Two factors are particularly important for doing this. First, a conscious attempt to show people how the new approaches, behaviors, and attitudes have helped improve the enterprise. The second is to ensure that the next generation of enterprise leaders believe in and embody the new ways.

#### **2.2.4 Theory of Change Management**

According to Burnes (1998), there are three schools of thought that form the central planks on which change management theory stands. First there is the Individual Perspective school, which assumes that individual behavior results from his interaction with the environment. Human actions are conditioned by expected consequences and behavior is rewarded to be repeated and vice versa. Psychologists argue that behavior is influenced by external stimuli.

Second there is the Group Dynamics school, which argues that individuals' behavior is a function of group environment. Individuals behave in a way that conforms to group pressure, norms, roles and values. Change focus in such a case should be on influencing group norms, roles, and values to bring about successful strategic change. Third there is the Open Systems school whose focus is on the entire organization. It sees the organization as being composed of different sub systems, which are the goals and values subsystem, the technical subsystem, the psychological subsystem and the managerial subsystem. A change in one part of the system has an impact on other parts of the system. Change can therefore be achieved by changing the sub systems but one then needs to understand the interrelationship of the subsystems.

#### **2.3 Factors Influencing Change Management Practices**

The key challenge for organizations is to match the model to the context. All approaches highlight the importance of leadership, communication and involving people in the change process. Factors influencing change management practices as discussed here include employee readiness to change, communication, organization culture and change agents.

### **2.3.1 Employee Readiness to Change**

Industrial progress finds one of its greatest handicaps in the frequent resistance of both management and workers to change of any sort (McNally, 1994). Resistance can play a useful role in an organizational change effort, but this stands juxtaposed to a traditional mindset that would view it as an obstacle that is normally encountered on the way to a successful change process. Nevertheless, it is a conclusion reached by a variety of authors who suggest that there are a number of advantages of resistance. When managed carefully, these advantages can in fact be utilized by the organization to greatly assist change. First of all, resistance points out that it is a fallacy to consider change itself to be inherently good. Change can only be evaluated by its consequences, and these cannot be known with any certainty until the change effort has been completed and sufficient time has passed.

As our understanding of resistance has become increasingly clear, it has also become apparent that people do not resist change per se, rather they resist the uncertainties and potential outcomes that change can cause. Resistance to a change is not the fundamental problem to be solved. Rather, any resistance is usually a symptom of more basic problems underlying the particular situation. Resistance can therefore serve as a warning signal directing the timing of technological changes (Torres, 2004).

As such, resistance plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps plain wrong. Either way, it is the organization's method of communication, therefore attempting to eliminate resistance as soon as it arises is akin to shooting the messenger who delivers bad news. Specifically, management can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful as a symptom if management diagnoses the causes for it when it occurs rather than inhibiting it at once (Burnes, 1998).

A further advantage that resistance contributes to the change process is an influx of energy. Psychologists have long understood the danger of apathy or acquiescence when there is a need for growth and development. Where a workplace is marked by apathy or passivity, implementing change is a very difficult task (McNally, 1994). With resistance and conflict comes the energy or motivation to seriously address the problem at hand. Where energy is lacking, change is often uncreative, sparsely implemented, and inadequately utilized. Once again, though, a balance must be maintained. Where conflict becomes too great, it may

assume the focus of the energy causing the issues created to recede into the background. Consequently, authors speak of an optimal level of motivation (Tichy, 1983) that will serve the change process and possibly improve its outcome.

In addition to injecting energy into a change process, resistance also encourages the search for alternative methods and outcomes in order to synthesize the conflicting opinions that may exist. Thus resistance becomes a critical source of innovation in a change process as more possibilities are considered and evaluated. Often a particular solution is known to be favored by management and consequently does not benefit from a thorough discussion. Under such circumstances, acceptance is built in, and the organization's growth and change is limited to the diagnostic and prescriptive capabilities of those who proposed the change. This aspect of resistance cannot be understated in its importance.

### **2.3.2 Communication**

Chia and King (2001) are keen to pursue the language-organization relationship, which is either ignored or assumed away by orthodox accounts of language and management. They argue that language is not simply a means of accessing reality nor is linguistic analysis to be regarded as a means of overcoming functional problems in organizational communication. Indeed they warn us that we misunderstand the nature of language when we assume that language simply represents and corresponds with a world, which is real and external to us. Instead Chia and King argue that organization is language and vice versa (Westwood and Linstead, 2001). Accordingly, they suggest that language is "our organizational method for constructing our relatively stabilized organizational world to the exclusion of other possible worlds".

Butcher and Atkinson (2001) have argued that the rhetoric of top-down change is limited and self-defeating because it offers an impoverished and isolationist rendering of the processes of change; a world where one group of people visit change upon other subordinate groupings who have change done to them. Countering this top-down rendering of change they argue that bottom-up approaches to change convey twin benefits in that they reveal the processes of politicking and change, which are disguised or occluded by top-down accounts and offer managers the insights they will require to use the political activity of subordinates to better effect.

Contrasting this top-down understanding of change with bottom-up accounts of change, Butcher and Atkinson (2001) observe that this focus on local actors tends to reduce the credibility, legitimacy and functional appeal of bottom-up accounts of change in the face of top-down rhetoric. Thus Butcher and Atkinson note that in comparison to top-down models of change, bottom-up accounts might appear to lack direction and application because these highlight the local, political and often subversive nature of the actual processes of change.

### **2.3.3 Organization Culture**

Organizational culture is a concept which describes the attitudes, experiences, beliefs and values of an organization. It has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Cultural differences have a huge impact on human behavior and hold potential for misunderstandings in business contacts, which might become barriers to change in an organization (Wiener, 1998).

A company's culture can be a major strength when it is consistent with the strategy and thus can be a powerful driving force in implementation. However, a culture can also prevent a company from meeting competitive threats or adapting to changing economic and social environments that a new strategy is designed to overcome. According to Johnson and Scholes (2003), social processes can also create rigidities if an organization needs to change their strategy.

Managing the strategy-culture relationship therefore requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit between those change and the organizational culture (Pearce and Robinson, 2003). The authors argue that while structure provides overall framework for strategy implementation, it is not in itself sufficient to ensure successful execution. Within the organizational setting, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation. In this context, two basic factors encourage or discourage effective action - leadership and culture.

### **2.3.4 Change Agents**

The term change agent is used for all those persons or groups of persons that are responsible for implementing change (Buchanan and Boddy, 1992). Thus, it covers the function of the

change agent in itself, as well as change managers, change leaders or project managers for change projects. Change agents always need the ability to get all people affected by the project involved, to ensure their support and commitment. This requires a high competency as the basis for acceptance as well as soft skills, which are often summarized as emotional intelligence. This includes the ability to communicate, to understand and to take into account opinions and doubts of others. It is the change agent's task to generate this acceptance in order to implement change with the people, not against them.

Change processes and change projects have become major milestones in many organizations' history. Due to the dynamics in the external environment, many organizations find themselves in nearly continuous change. The scope reaches from smaller change projects in particular sub-business units up to corporation-wide transformation processes (Mullins, 1999). Unfortunately, not every change process leads to the expected results. There are multiple reasons for potential failure. Typical barriers to change are unexpected changes in the external conditions, a lack of commitment in implementation, resistance of people involved, or a lack of resources. In the light of the many problems and risks associated with change projects, the change agent has a very important function. The change agent's or change leader's capabilities have a major impact on success or failure of the project, and on the extent of potential unwanted side-effects (Modahl, 2000).



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. This stage presents decisions about how research was executed and how respondents were approached, as well as when, where and how the research was completed. Therefore in this section the researcher identified the procedures and techniques that would be used in the collection, processing and analysis of data.

### **3.2 Research Design**

For purposes of this study, a cross-sectional survey design was applied. This was considered as appropriate because data would be collected from various firms of different demographics and comparisons would be made. Mugenda and Mugenda (1999) observe that survey research is appropriate when comparisons among study units are needed.

A survey was also found to be the most appropriate form of research whenever the population was big and largely homogeneous. Since the focus was on all the four telecommunication companies in Kenya, this research design was considered appropriate. The design allowed for both quantitative and qualitative data capture; qualitative data was helpful in that respondents gave their opinions in particular areas, and this therefore enriched the quantitative data.

### **3.3 Population of the Study**

A study population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined set of people, services, elements, events, group of things or households that are being investigated. This definition ensures that the population of interest is homogeneous. The study targeted all the telecommunication companies in Kenya. Currently there are four telecommunication companies in Kenya (Communications Commission of Kenya, 2012) and the staff working under the management of these four firms were the respondents to the appendix questions. The respondents were picked randomly.

### **3.4 Data Collection**

The researcher used both primary and secondary data. Primary data was collected using a semi-structured questionnaire while secondary data was collected by use of desk search techniques from published reports and other documents. Secondary data sources included the company's publications, periodicals and information obtained from the internet. Secondary data was also obtained from previous studies done on change management and the telecommunication sector in general.

The respondents of this study were the staff of the four telecommunication companies: Safaricom, Airtel Kenya, Orange and Yu Mobile. These included staff in all the ranks such as top managers, middle level managers and lower level managers. This made it easier to get adequate and accurate information necessary for the research. The questionnaire was administered using a drop-and-pick method, with telephone calls follow-up to enhance the response rate. Cooper and Emory (1995) argue that this approach is a way of improving on the response rate.

### **3.5 Data Analysis**

The data and information obtained through the questionnaire were first checked for completeness. The questionnaires that were found to be correctly filled and fit for analysis were coded, tabulated and analysed using both inferential and descriptive statistics. Editing and coding was used to give a clear picture of the targeted objectives while frequency distribution would enable the researcher to meaningfully describe the distribution of measurements used as graphs and charts. This analysis would enable the researcher to determine the factors influencing change management practices in the telecommunication industry in Kenya.

## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

### 4.1 Introduction

This chapter discusses the findings of the study based on the research questions. The objective of the study was to investigate the factors influencing change management practices in the telecommunication industry in Kenya, and respondents were drawn from the staff of the four telecommunication firms in Kenya namely Safaricom, Airtel Kenya, Orange and Yu.

### 4.2 Research Findings

45 questionnaires were administered and 30 were completed and returned for analysis. This is a 67% response rate which was considered moderately high. The questionnaires were edited for completeness, accuracy and consistency. The quantitative data was analyzed using Statistical Package for Social Sciences (SPSS) to make statistical inferences presented as tables and graphs.

#### 4.2.1 Response Rate Analysis

The researcher sought to find out the name of the telecommunication company that the respondents worked for. The responses indicated that 56.7% of respondents were working at Safaricom, 23.3% at Orange, 10% at YU and Airtel respectively. The responses are summarized in Table 4.1.

**Table 4.1: Analysis of response rate**

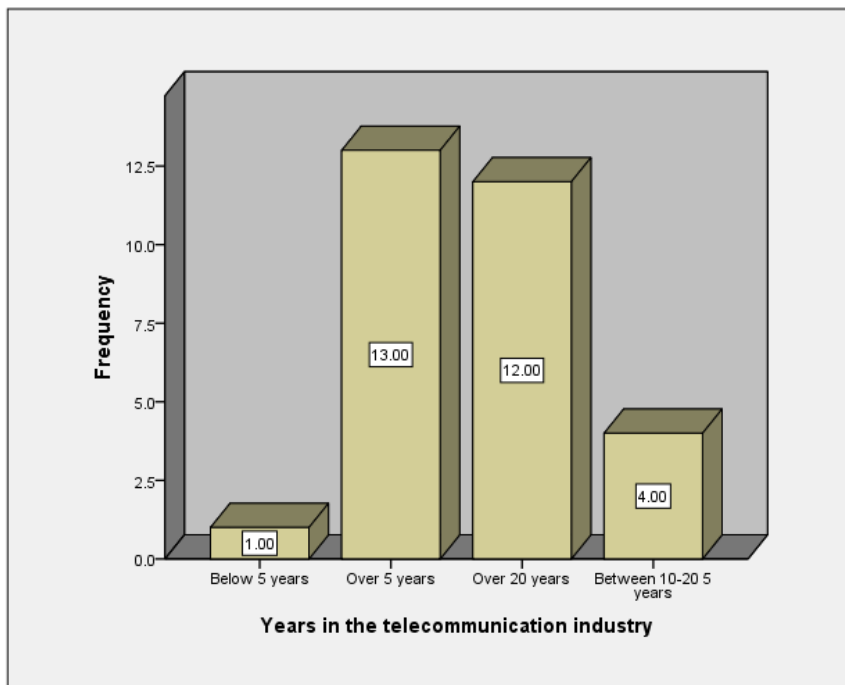
Company	Frequency	Percent	Cumulative Percent
ORANGE	7	23.3	23.3
AIRTEL	3	10.0	33.3
SAFARICOM	17	56.7	90.0
YU	3	10.0	100.0
Total	30	100.0	

Source: Research data, 2013

#### 4.2.2 Period of Time Served in the Telecommunication Industry

The study sought information regarding how long the respondents have served in the industry. The findings indicated that 41.3% of the employees have been working in the telecommunication industry for over 5 years. Another 37.2% have been working for over 20 years while 16.5% have worked between 10 and 20 years. Those who have worked for less than 5 years stand at 5%. This is summarized in Figure 4.1.

**Figure 4.1: Period of time served in the telecommunication industry**

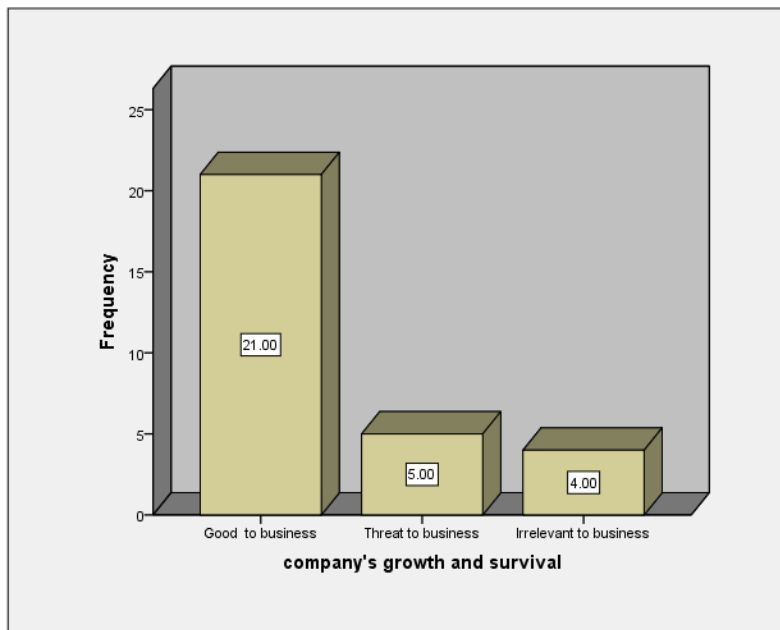


Source: Research data, 2013

#### 4.2.3 Change in Relation to Company's Growth and Survival

The researcher sought to find out the effect of change in relation to a company's growth and survival in the current business world of cut-throat competition. Majority of the respondents described change in relation to a company's growth and survival as good to business while few of the respondents termed it as a threat and irrelevant to business. This is represented in Figure 4.2.

**Figure 4.2: Change in relation to company's growth and survival**

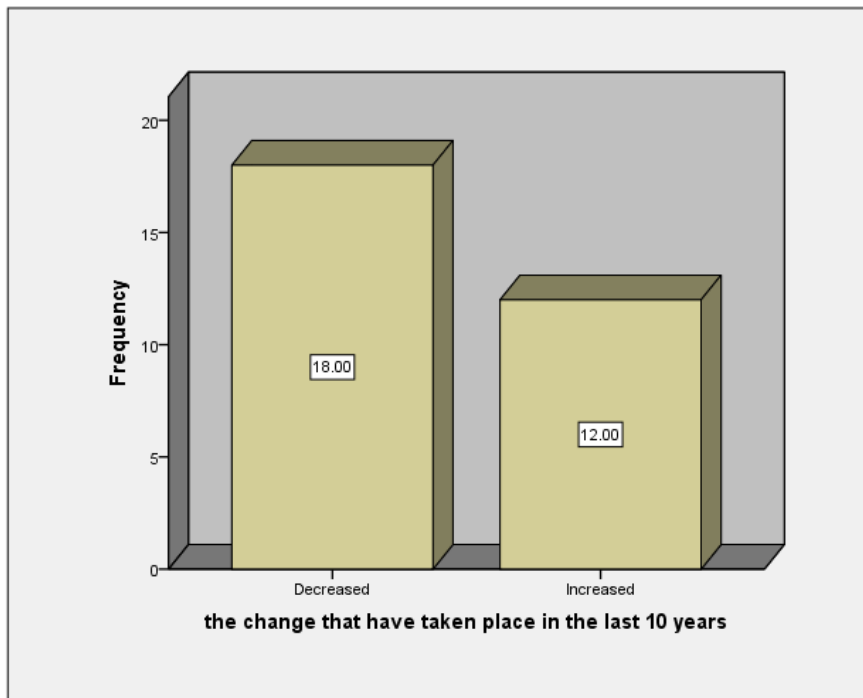


Source: Research data, 2013

#### **4.2.4 Changes that have Taken Place in the Last 10 years in Terms of the Use of Modern Technology**

As represented in Figure 4.3, 56% of the respondents were of the opinion that the use of modern technology has decreased while 54% thought that it has increased. Implementation of modern technology aims to ensure that all subscribers can easily access the technology as they seek to embrace the dynamism of technological trends. Most of the customers and staff responded that they can easily access the services they need from mobile telephony.

**Figure 4.3: Changes that have taken place in the last 10 years in terms of use of modern technology**

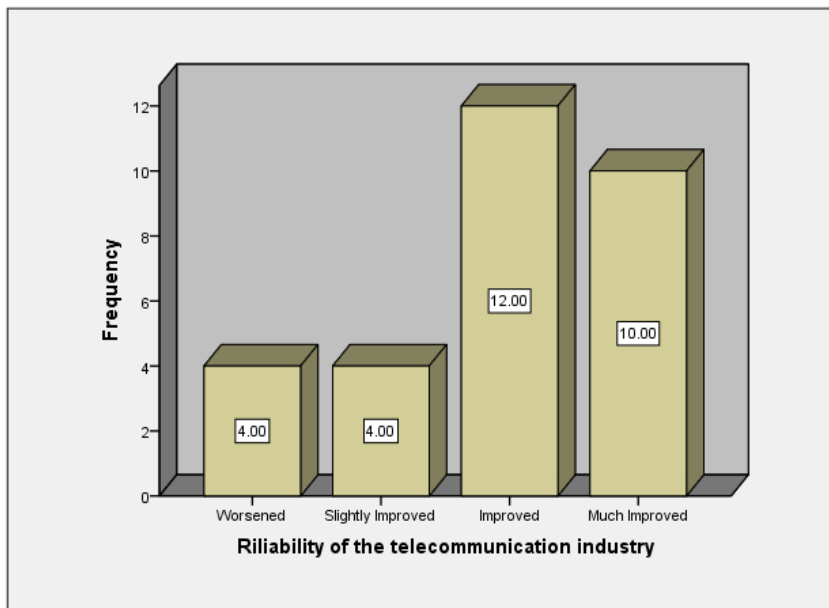


Source: Research data, 2013

#### **4.2.5 Reliability of the Telecommunication Industry**

As represented in Figure 4.4, 50% of the respondents thought that reliability of telecommunication industry has improved while 40% were of the opinion that it was much improved. The figures for slightly improved and worsened stood at 5% respectively. Implementation of change management practices in regards to reliability has improved compared to the previous decades where technology was still at inception. Majority of the respondents thought that services were reliable in terms of access to the internet and customer care among others.

**Figure 4.4: Reliability of the telecommunication industry**

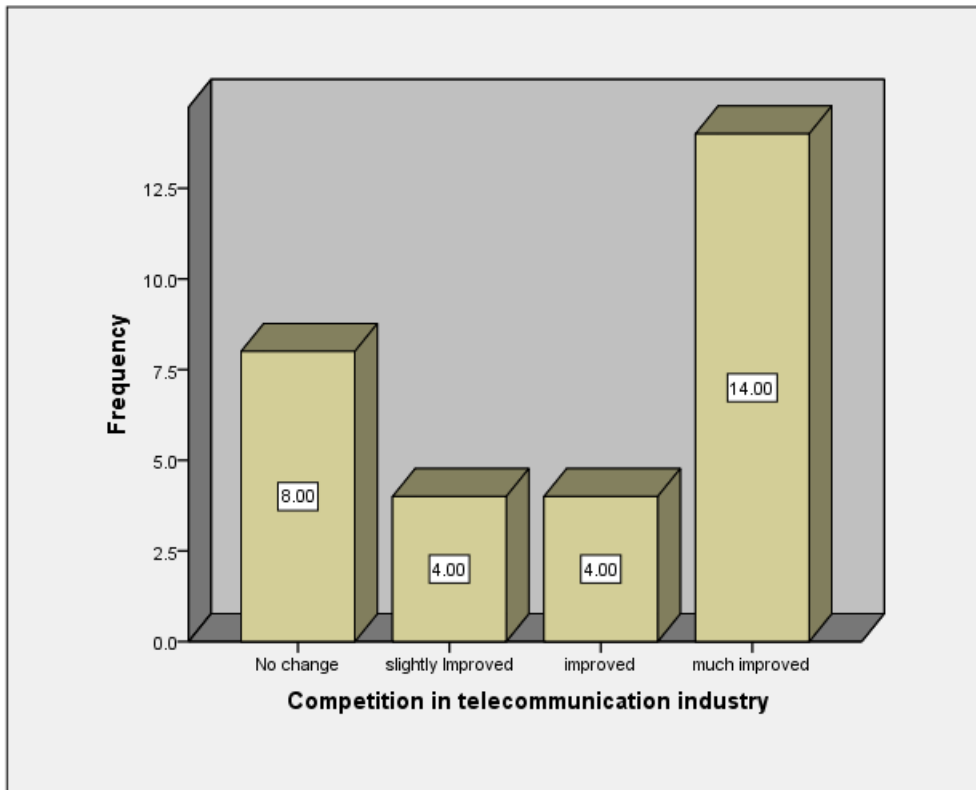


Source: Research data, 2013

#### **4.2.6 Competition in the Telecommunication Industry**

58% of the respondents thought that competition is much improved, 10% said it was slightly improved or improved respectively, while 22% thought there was no change. This is represented in Figure 4.5. The respondents were from the different companies namely Safaricom, Airtel, Yu and Orange. Emergence of new service providers has caused competition to be greater unlike in the past when the market structure was monopolistic. This is because each firm tries to win customer loyalty through offering many services at lower costs.

**Figure 4.5: Change in level of competition in the telecommunication industry**



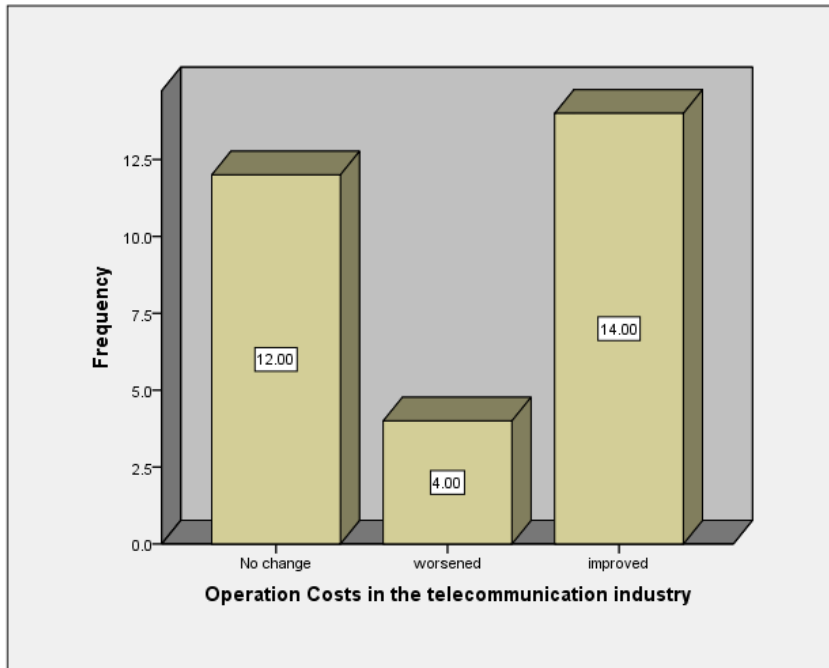
Source: Research data, 2013

#### **4.2.7 Operation Costs**

From the analysis the operation costs have improved as per the respondents at 54%, worsened at 10% and no change was experienced at 36%. This is summarized in Figure 4.6. Prioritization of saving initiatives is vital to manage available implementation resources effectively. A common approach is to prioritize based on expected saving benefits and required implementation effort and risk. A significant portion of operations work for telecom operators entails improving the efficiency and effectiveness of network operations or customer-care and sales operations, and improving capability building in, for example, the procurement or business-support function. Clients are also assisted in improving product-development and innovation processes and reducing overall operating expenses. Teams working with telecom clients build capabilities in client organizations to achieve sustained and substantial business impact.



**Figure 4.6: Changes in operation costs in the telecommunication industry**

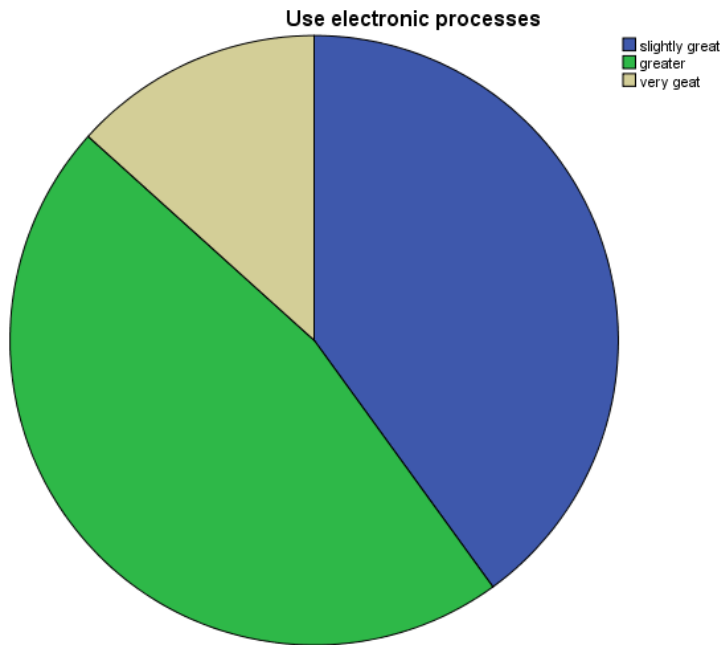


Source: Research data, 2013

#### **4.2.8 Use of Electronic Processes**

The study analysis shows that most of the telecommunication industries introduced use of electronic processes with majority of the respondents showing greater use at 51%, slightly great at 39% and very great at 11% with regards to change management practices as shown in Figure 4.7. The framework covers all forms of fixed and wireless telecommunications, data transmission and broadcasting. Revised legislation aims to enable people to benefit from better and cheaper communication services throughout the European Union, whether they use mobile phones, fast broadband internet connections or cable-based (television) services. To achieve this, the revised legislation aims to: strengthen consumer rights; give consumers more choice by reinforcing competition between telecommunications operators; promote investment in new infrastructure in particular by freeing-up the radio spectrum for wireless broadband services; make communication networks more reliable and more secure.

**Figure 4.7: Use of electronic processes**

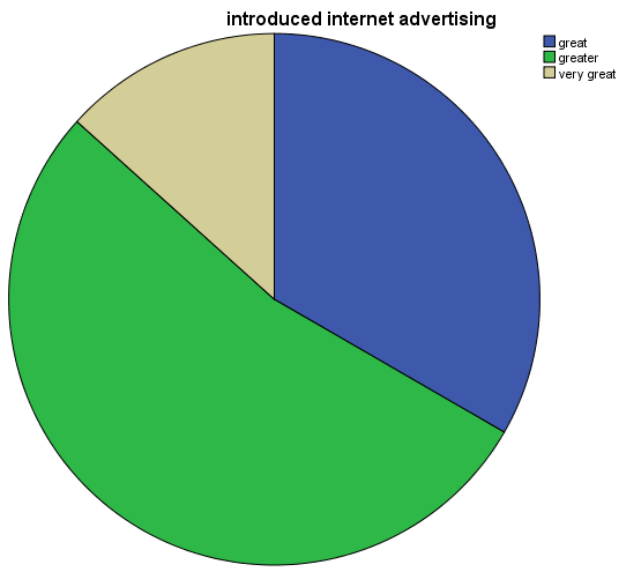


Source: Research data, 2013

#### **4.2.9. Internet Advertising**

The study analysis shows that most of the telecommunication industries introduced internet advertising with majority of the respondents showing greater use at 51.3%, great at 38.7% and very great at 11% with regards to change management as shown in Figure 4.8. Advertising is done using seven criteria: creativity, innovation, impact, design, copywriting, use of the media and memorability to improve customer service.

**Figure 4.8: Change in internet advertising**

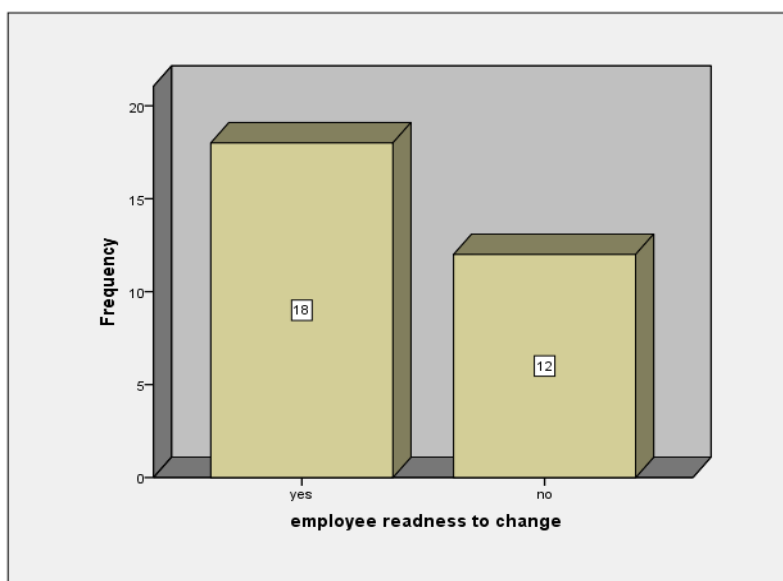


Source: Research data, 2013

#### **4.2.10 Employee Readiness to Change**

The comparison of the respondents results in Figure 4.9 shows that most employees were ready for change in the telecommunication industry ranking at 60% followed by those who were resistant to change at 40%.

**Figure 4.9: Employee readiness to change**

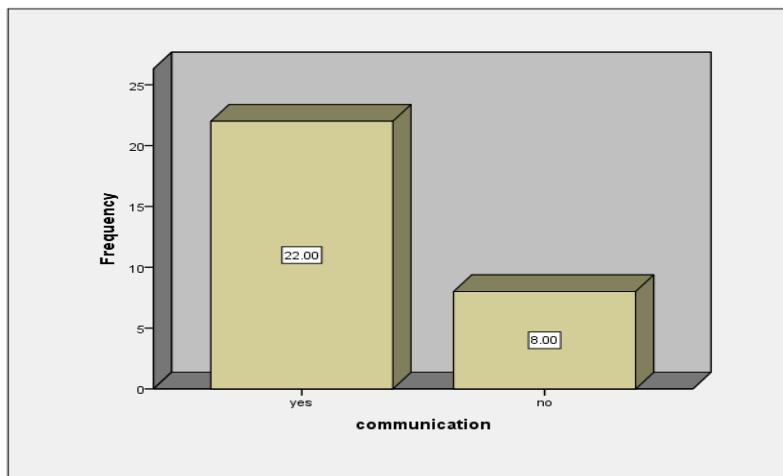


Source: Research data, 2013

#### 4.2.11 Communication

The comparison of the respondents results showed that internal communication, its importance and the language used greatly influenced communication with regard to change in the telecommunication industry ranking at 73% followed by 20% who were of the opinion that it didn't influence change management much. 7% were not informed if communication can impact on change management practices. This is represented in Figure 4.10.

**Figure 4.10: Influence of communication on change**

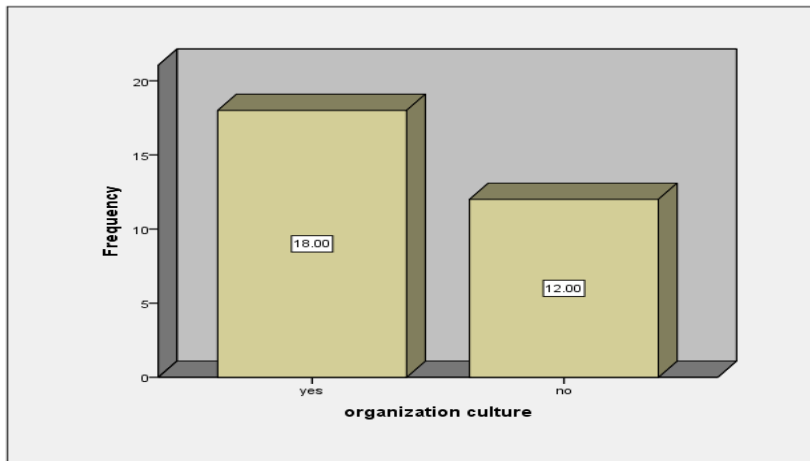


Source: Research data, 2013

#### 4.2.12 Organizational Culture

As represented in Figure 4.11, the majority of the respondents was of the opinion that organisation culture was mostly responsible for change in the telecommunication industry ranking at 53% followed by those who were opposed to the belief at 40%, while 7% of the respondents were not aware of organizational culture.

**Figure 4.11: Influence of organization culture on change**

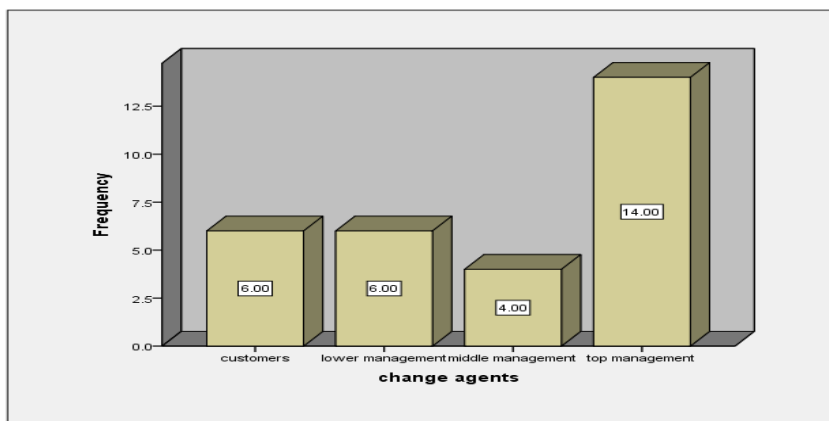


Source: Research data, 2013

#### 4.2.13 Change Agents

The comparison of the respondents results showed that top management were mostly responsible for change in the telecommunication industry ranking at 46.2% followed by customers and lower level managers at 20% each and middle level managers at 13.8%. This is represented in Figure 4.12.

**Figure 4.12: Influence of change agents on change management**



Source: Research data, 2013

### 4.3 Discussion

The objective of the study was to investigate the factors influencing change management practices in the telecommunication industry in Kenya. One of the findings of the study was that though most employees responded that they were ready for change, the percentage of those resistant to change was relatively high at 40%, which was almost half of the respondents. This is in line with the findings of McNally (1994) that industrial progress finds one of its greatest handicaps in frequent resistance of both management and workers to change of any sort. Therefore resistance is to be expected when change efforts are to be implemented and should be used to serve as a warning signal in directing the timing of technological changes (Torres, 2004).

The study also found that internal communication, its importance and the language used greatly influenced communication with regard to change in the telecommunication industry. Only 27% of the respondents were of the opinion that communication was not important, or they were not informed. This is in line with the findings of Kotter (1995), where he said that the third step in Kotter's 8-step method involves communicating the vision very thoroughly. Successful transformation rests on a picture of the future that is relatively easy to communicate, and appeals to customers, employees and stockholders (Kotter, 1995). Therefore this research study cannot over-emphasize the importance of communication in implementation of change management practice.

Majority of the respondents in this study also were of the opinion that organization culture was mostly responsible for change in the telecommunication industry at 53%. Pearce and Robinson (2003) argue that managing the strategy-culture relationship requires sensitivity to the interaction between the changes necessary to implement strategy, and compatibility or fit between those changes and the organizational culture. This researcher agrees with this statement, as the findings of the research are self-explanatory.

The findings of this study regarding change agents were that top management was mostly responsible for change in the telecommunication industry, with majority of the respondents at 46.2% agreeing with this notion. According to Modahl (2000), the change agent's or change leader's capabilities have a major impact on success or failure of the project, and on the extent of potential unwanted side effects. Suitable characteristics of change agents as mentioned by respondents that they should have clear vision, be patient yet persistent, should

ask tough questions, be knowledgeable, lead by example and have strong relationships built on trust. This is in line with Kotter's 8-step model (1995) on change process, where the change process is led by a powerful guiding coalition. This group should be powerful in terms of the roles they hold in the organization, the reputations they have, the skills they bring and the relationships they have, and this research study is in concurrence.

Herscovitch and Meyer (2002) argue that to be effective, change should be multi-disciplinary, touching all aspects of the organization. The findings of this study agree with this statement in that for example majority of the respondents were of the opinion that reliability of the telecommunication industry had improved, the level of competition was also improved as well as implementation of modern technology. Majority of the respondents also described change in relation to a company's growth and survival as good to business.

## **CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary**

Over the past two decades, the management practices of the telecommunications industry have changed radically. In Kenya, public telecommunications operators (PTOs) have been fully or partially privatized and management practices concerning access to telecommunications markets, provision of services to users and pricing mechanisms have been overhauled. Management reform was generally spurred by the rapid evolution of both telecommunications technology and the structure of demand for telecommunications services, which has eliminated virtually all natural monopoly conditions, making it possible and efficient for a multiplicity of operators to supply these services to businesses and consumers. In turn, the new market and changes in management practices is having a substantial impact on the structure and organization of the industry.

The study aimed at establishing the factors influencing change management practices in the telecommunication industry in Kenya. The change agents in the telecommunications industry in Kenya are mainly the managers of the companies involved, however, for major organization-wide changes; companies frequently will hire external change agents. Because these consultants are from the outside, they are not bound by the firm's culture, politics, or traditions. Therefore, they are able to bring a different perspective to the situation and challenge the status quo. This can be a disadvantage, however, because external change agents lack an understanding of the company's history, operating procedures, and personnel.

The growth and survival of the telecommunication industry largely depends on the dynamism of its operation and the input versus output ratios. From the research findings, the general overview by staff and customers was that change management would greatly impact on the return on investment. The use of modern technology has greatly impacted on change management practices of the telecommunication industry. Due to this communication has been made easier between the agents of change and those affected by the change.

The study also found that reliability of telecommunication industry was found to have greatly improved whereby for example one can access any network from anywhere unlike in the past whereby one could only receive a call at specified period of time. The firms in the communication industry are faced with stiff competition globally whereby each party is seeking to offer better services through innovation of new products. This is aimed at



increasing the number of customers and increase return on investment. A firm in the telecommunication industry undergoing change will be greatly impacted on the financial and human resources therefore it is up to the management to ensure that there is smooth flow in the transition process. This entails improving the efficiency and effectiveness of network operations or customer-care and sales operations, and improving capability building in, for example, the procurement or business-support function.

Additionally, the research found that advertising plays a major role in creating customer awareness with regard to change management and therefore most of the telecommunication firms spent a lot of time and resources to market their product and services for sustainability and to remain in the market. The study also found that employee readiness to change is an improved understanding of change dynamics in four important ways. First, readiness for change is distinguished from resistance to change. Readiness is described in terms of the organizational members' beliefs, attitudes, and intentions. Second, a model is offered that describes the influence strategies as well as the importance of change agent credibility and interpersonal and social dynamics in the readiness creation process. Third, by combining urgency of, and employee readiness for, needed changes, a typology of readiness programs is offered. Fourth, a large multinational corporation's efforts to create readiness for large-scale change are described to provide a convincing illustration of the various readiness interventions described in the model.

## **5.2 Conclusion**

The study found that most of the employees were initially resistant to change for the fear of the unknown. Some felt that their jobs were threatened and therefore opposed change. However when the management took time to comprehensively inform the employees what the change entailed, most of the employees eventually became calmed and embraced the change. Part of the study also sought to find out the usefulness and importance of communication before change is implemented. Effective communication was found to be very useful. Lack of proper communication was found to lead to mistrust between management and employees. The results of the research show that generally in the telecommunication industry, changes in management practices have been taken positively and have positively spurred the growth of the industry. This has led to better service delivery to the consumers and lowered cost of services.

### **5.3 Recommendations**

The telecommunication industry provides many services to businesses and consumers, using a growing variety of technologies and spanning an increasing range of communications media such as voice, image and data among others. Therefore any changes in its management practices affect not only the telecommunication industry but a wide variety of businesses as well. It should be done cautiously and with utmost care.

#### **5.3.1 Recommendations for Policy and Practice**

Changes in management practices are generally presumed to have brought about improvements in the amount, the range, the quality and the prices of telecommunications services in Kenya. Telecommunication institutions in today's highly competitive market need to embrace good change management practices in order to achieve improved service delivery for customer satisfaction. Resources should be allocated appropriately in order to address areas of difficulty and address priority needs. Additionally, legislation needs to be put in place to not only promote an enabling business environment for the telecommunication firms in the country, but also to protect consumers from exploitation.

#### **5.3.2 Recommendations for Further Research**

The findings of this research were generalized to include information from all the four telecommunication companies in the country as a whole. It would be a good idea for further research to be conducted in the area of change management practices in the individual firms. Also, there are other smaller areas within this field that would provide interesting fields of research. For example, one firm in particular, Airtel Kenya, stands out as having undergone change of ownership three times since its inception thirteen years ago in the year 2000, but continues to hold its position as the second in market leadership. The change management practices used by this firm in order to continue to stay relevant and successful would make interesting research.

### **5.4 Limitations of the Study**

Ideally, the effects of management changes on growth in the telecommunication industry ought to be studied at the level of the single markets in which these services are supplied and demanded, that is, voice, data, messages and image, but due to financial and time constraints

the researcher restricted hers to a general research of the industry as a whole without focus on single markets or single firms.

Additionally, the data collection instrument after initial piloting was found to be too long and complicated for the respondents. Thereafter the questionnaire was shortened and simplified for ease of application. Time constraints also proved to be a challenge.

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# APPENDIX I

## QUESTIONNAIRE

### FACTORS INFLUENCING CHANGE MANAGEMENT PRACTICES IN THE TELECOMMUNICATION INDUSTRY IN KENYA

Adapted from: Chebett (2008).

#### Section A: GENERAL INFORMATION

1 a) Name of the Telecommunication Company?

.....

b) Name of the respondent (Optional)

.....

c) Name of your Department

.....

d) How long have you served in the telecommunication industry?

Below 5 years [ ]

Over 5 years [ ]

Over 20 years [ ]

Between 10 – 20 years [ ]

2. Are you aware of change management? Yes [ ] No [ ]

3. How would you describe change in relation to a company's growth and survival? Indicate by ticking your choice.

a) Good to business [ ]

b) Threat to business [ ]

c) Irrelevant to business [ ]



**Section B: FACTORS AFFECTING CHANGE MANAGEMENT PRACTICES**

4. Indicate (√) the changes (if any) that have taken place in the last 10 years in terms of the following:

	Decreased	Increased	Unchanged
a) Use of modern technology	[ ]	[ ]	[ ]
b) Use of electronic processes	[ ]	[ ]	[ ]
Others	(please specify)		
.....			
.....			

5. What can you say about the following in telecommunication industry in the last 10 years? (Tick as appropriate).

<b>Item</b>	<b>No Change</b>	<b>Worsened</b>	<b>Slightly Improved</b>	<b>Improved</b>	<b>Much improved</b>
Reliability					
Competition					
Operation costs					

6. Does your Company embrace the process of change in its management?

Yes [ ]                                      No [ ]

7. To what extent can you attribute the following factors to be a result of your Company adopting change management practices in the last 10 years? Please give a ranking by ticking (✓) from 1 = Not at all to 5 = To a very great extent

	Not at all	1	2	3	4	5	To a very
(a) Use electronic processes		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	great extent
(b) Introduced internet advertising		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(c) Others (please specify)							
.....							

**Employee readiness to change**

8. What is the importance of employee readiness to change in your Company?  
 .....  
 .....  
 .....

9. Are you always ready for a change, and what are the reasons behind your readiness/ not being ready for a change? Yes  No

Reason.....  
 .....  
 .....

10. Are the employees given enough time to prepare for change implementation in the organization? .....

11. Do employees resist implementation of change within the organization?  
 .....

**Communication**

12. Does the internal communication influence change management in your organization?

Yes [ ]

No [ ]

13. What is the usefulness/ importance of communication before a change is implemented in the organization?

.....  
.....  
.....

14. What are the major influences of communication towards change management implementation processes in this organization?

.....  
.....  
.....

**Organization Culture**

15. Do you value the aspect of culture in this organization?    Yes [ ]    No [ ]

16. How is the culture of this organization related to change management practices?

.....  
.....;  
.....

17. Does culture influence change management practices in this organization?

Yes [ ]    No [ ]

18. In what ways does organization culture at your Company influence the process of change management?

.....  
.....

**Change Agents**

19. Who are responsible for change implementation processes in your organization?

.....  
.....

20. What are the various roles of the change agents in change implementation processes at in your organization?

.....  
.....  
.....  
.....

21. In what way do change agents influence the overall change management implementation in your organization?

.....  
.....  
.....

*Thank you for your kind assistance!*

## APPENDIX II

**TABLE 1.1: LIST OF MOBILE PHONE COMPANIES IN KENYA**

<b>Rank</b>	<b>Operator</b>	<b>Subscribers (in millions)</b>	<b>Ownership</b>
1.	Safaricom Limited	19.1 (March2012)	Vodafone 40 percent, Public Float 60 percent
2.	Airtel Kenya Limited	4.5 (March2012)	Bharti Airtel 80 percent
3.	Orange (Telkom Kenya Limited)	3.0 (March2012)	Telcom Kenya, France Telecom Group
4.	Yu (Essar Telecom Kenya)	2.6 (March2012)	Essar Group (80 percent)

Source: Wikipedia(2013).

**TABLE 1.2: GROWTH IN MOBILE SUBSCRIPTIONS PER OPERATOR**

<b>Name of Operator</b>	<b>March 2012</b>	<b>December 2011</b>	<b>Quarterly Variation (Percentage)</b>	<b>Annual Variation (March 2011-March 2012) (Percentage)</b>
Safaricom Kenya Limited	19,074,700	18,687,923	2.1	10.9
Airtel Networks Kenya Limited	4,483,334	4,272,964	4.9	17.4
Essar Telecom Kenya Limited	2,554,258	2,229,974	14.5	61.2
Telkom Kenya Limited (Orange)	3,099,357	2,889,910	7.2	18.6

Source: Communications Commission of Kenya (CCK) (2012)