INFLUENCE OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE OF KENYA NATIONAL HIGHWAYS AUTHORITY

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DECLARATION

This project proposal is my original work and has never been presented for examination to any University.

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D61/77268/2015

This research project is submitted for examination with my approval as the University Supervisor.

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DEDICATION

This research proposal is dedicated to my family.

ACKNOWLEDGEMENT

My sincere appreciation goes to my lovely mother for her moral support and to my wife for her love and support. My appreciation also goes to my children for their inspiration. My sincere appreciation goes to my supervisor Prof. Martin Ogutu for his unwavering support towards my research proposal.

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LIST OF ABBREVIATIONS AND ACRONYMS

FY- Financial Year

KeNHA - Kenya National Highways Authority

KURA- Kenya Urban Roads Authority

KeRRA - Kenya Rural Roads Authority

NSSF - National Social Security Fund

KNBS - Kenya National Bureau of Statistics

GDP- Gross Domestic Product

RSIP - Roads Sub-sector Investment Programme

MOTIH&UD - Ministry of Transport, Infrastructure, Housing & Urban Development

ABSTRACT

In the whole world, the roads sub-sector provides an impetus in economic growth. The sub-sector in Kenya has been majorly influenced by the promulgation of the new constitution in the year 2010, globalization, communal sector changes, communication, technology and human resource advancement, among other causes. In an ever-changing inclusive environment, the authorization, composition and functioning of roads sub-sector needs to be categorized, restructured and performance improved to ensure it is focused, efficient and receptive to the wants of the people it is meant to serve. This study examined the possible effects of strategic change management activities on the performance at Kenya National Highways Authority. The study utilized case study research design and content analysis in data analysis. Interview guide was formulated and used to collect primary data. The findings indicated a constructive effect amid the strategic change management practices and performance at Kenya National Highways Authority and some of the challenges of strategic change management practices included uncertainty, employee's resistance, strategic drift and pressures for change.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Research

Strategic change is visible when changes are made to an organizations' fundamental functional part. In the highly demanding business world today, an organizations competitive edge depends on the strategic changes it undertakes, many strategic alteration specialists pledge to the view that amend is an everyday occurrence in an organization; that there is no such obsession as the status quo in a business that needs survival (East,2011).

Grant (2005) observes that strategic change is determined by business trends, the environmental factors and the multiple shifts in the global, sociological and political bubble. It can arise due of the anticipations of the stakeholders. It cannot be based on proactive and strategic technique, or in a reactive process in reaction to a crisis within the organization or outside. It may involve fulfilling the changing wants of the marketplace, reducing risk, being more environmentally sensitive, improving the quality, raising consumer satisfaction, and staff retention (East, 2011).

Organizations are facing technological alterations, political, economic, social-cultural alterations, environmental and legal changes (Johnson G., Scholes K, 2003). Those involved in strategic change must ensure they have established the accurate nature of alterations they face. They must not lose vision that change need to be viewed as an incident capable of causing many dislocations to the organizations culture, makeup and outputs (Burnes 2004).

Both public and private organizations operate in turbulent business environment in which nothing is constant or predictable. It is imperative that organizations develop strategies that will position them to excel regardless of the environment (Franken, A., Edwards, C., &Lambert, R., 2009). Firms need to undertake strategic changes to be able to remain

competitive in the changing environment. The Roads subsector has previously operated in an almost stable environment for many years. However, in the current moments the area is facing aggressive stakeholders' demands in a new information and technology era. Strategic changes will continue to be a major factor for the organizations to remain competitive (Burnes, 2004).

The study was based on the following three theories, theory of disruptive change, organizational change theory and resource based view theory. Theory of disruptive change explains that disruptive technology which brings in finer technological traits to the main commodity or service, prospect, which brings distraction to a given market slot of the core commodity. Organizational change theory explains that change of organizational culture, structure, and design would help an organization into adopting efficient and effective change strategies while resource based view theory means that in order to develop a strategy an organization should check on the resources available for the implementation of a specific strategy like Change strategy.

1.1.1 Strategic Change Management Practices

Change can be simply defined as a transition from one state to another with focus on being different. Some changes can be reversible while others are not hence the risk involved in managing change. Strategic change management is the utilization of the systematic mechanisms so that a firm's change strategy can be directed in the designed and planned route, be carried out in a cost effective way, and finished within the specified period and with expected outcomes (Davis and Holland. 2002).There are both subjective and objective conditions in making the transitions in organizations.

Change management is a set and systematic way of getting a sustained alteration in the human conduct in a firm (Todd A. 1999).Strategic change encompass fundamental alterations

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in the activities of the organization and the future track. The success of the strategic change is based on a general strategic management scheme of the organization.

The strategy of the organization legitimizes the change program. The triumph of strategic change management depends not only on the firm's ability to come up with new processes and structures, but also on the organizations capability to put across the new vision, mission and the mandate to its stakeholders. Change in an organization has two dimensions; business and people dimension (Grey 2005).

Effective management of business dimension requires addressing the need for change, change strategy, processes, systems, structure, implementation and post implementation.

Change management has received interest as the internal and external factor speeds up their rate and challenge the firms to respond accordingly (Clegg, 2005). An integral fraction of strategic adjustment is an effective internal communication, which corresponds to all stages of communicating to the staffs because internal stakeholders are viewed as vital for the upshot of change implementation and effective management of people dimension requires managing the following key phases; awareness, desire, knowledge, ability and reinforcement. Change management practices refer to activities or tasks, which aid in successful change management (Peter de Jager, 2005).

Organizational change begins with an orderly analysis of the existing condition to know the call for a transformation and the ability to change (Markiewicz, 2011). The goals, data, and procedure of change must be stated as part of a Change Management map. As an evident path on transformation projects, the organizational change management supports groups' prospects, passes information, incorporates teams and leads folks training. It utilizes performance measures, like the financial outcomes, operational competence, leadership

obligation, communication success, and the perceived urge for change to design suitable procedures, to solve troubled change projects (Thenmozhi, 2007).

Lorenzi, N. M. and. Riley, R.T. (2000) further states that while change is a steady experience, acquaintance and awareness concerning the critical issues concerned with the administration of the change is not available in those accountable for its progress. Thus if companies are to achieve a high level of success in the development, managers, leaders, and executives must have a better frame to reason about change and know the key issues that accompany strategic change management. Strategic change management has been linked to the organization's competitiveness and retort to the changes in the environment (Devos, 2000).

1.1.2 Organization Performance

Organization act is a gauge of how effectively managers use the available resources to gratify customers and accomplish organization's goals. (Jonesand George 2011). Organizational act is the notion of measuring the output of a certain procedure, then changing the progression or procedure toi ncrease the output, increase efficiency, or increase the effectiveness of the process or procedure (Nganga, 2014).

Estimating the performance of a firm is not direct for companies with multiple targets of consumer preservation, productivity, and profitability, aptitude to be familiarized with the changing background, employee fulfilment, enlargement and social accountability. Organizational performance is conceptualized based on financial rules, but some writers have agitated for a diverse performance put up, which incorporate the feature of non-financial channels like, effectiveness, efficiency, superiority, and the company picture, (Waiganjo, Mukulu & Kahiri, 2012).

As per Richard (2009), organizational performance is the attainment of organizational targets. A firm's performance must be calculated not only based on marketplace share, return on investment and the profitability, but there is a need to encompass both the qualitative and quantitative restrictions of measurement. The method is supported by Lusthaus (2000) who bases organization performance shows in relation to; effectiveness, capability of a firm to depict the perfect commodity within the most efficient setup; effective, the degree that a firm gets towards accomplishment of the mission and achievement of its targets; relevance, existence of a business and financial viability, an organizations possibility to have more financials than its using.

The major comprehensive frame for Organization Performance Assessment (OPA) is the Institutional and Organizational Assessment Model (IOA). The details on how it functions are made clear by Universalia and the International Development Resource Centre (IDRC). This model depicts the performance of an organization as a multidimensional design, which is poise between the effectiveness, significance, efficiency, and the financial practicability of the firm. The structure depicts that company performance must be evaluated based on the organizations inspiration, capability, and the outside environ. Thus, organizational performance need to be examined using multiple pointers like effectiveness, competence, customer contentment and financial force based on the firm (IDRC, 2002). These pointers will be utilized in this case.

1.1.3 Ministry of Transport, Infrastructure, Housing and Urban Development

The Roads sub-sector falls under the Ministry of Transport, Infrastructure, Housing and Urban Development. The recognition of the main activity played by the national roads network in socio-economic development caused the enactment of the Kenya Roads Act, 2007, establishing the following Road Authorities under the Kenya Roads Act 2007;Kenya

National Highways Authority(KeNHA) to maintain national trunk roads, Kenya Rural Roads Authority(KeRRA) to manage rural roads and roads in small towns and Kenya Urban Roads Authority(KURA) to manage roads in cities and municipalities (KENHA 2016).

Following the implementation of the new Kenyan constitution in the year 2010 there was need to reclassify the road network in the country in order to realign the roads sub-sector to the constitution and spirit of devolution because good roads facilitate economic development by supporting key economic growth sectors identified in the Vision 2030 including; agriculture, tourism, whole sale and retail, manufacturing, business process outsourcing and financial services. For every shilling invested in roads, a return of Ksh. 2.6 is realized (RSIP, 2011).

According to the KNBS reporting Construction, Rehabilitation and Maintenance of roads are categorized under the Building and Construction Sector. In FY 2015, the Gross Domestic Product (GDP) raised by 5.6 per cent in comparison to 5.3 per cent in 2014. This expansion was attributed to significant growth in some strategic sectors, key among them being the Building and Construction sector (KNBS Economic Survey report, 2016).

The Building and Construction Sector marked an impressive expansion of 13.6 per cent in FY 2015 in cost added. Official employment in the area raised by 11.4 per cent to rest at 148.0 thousand in 2015 up from 132.9 thousand in 2014. Full amount of the proposed development expenses on roads hiked by 79.2 per cent. As a result, the catalog of Government spending on roads moved from 263.4 in 2014 to 386.7 in 2015 to sustain projects coming up during the year.

Also closely linked is the Transport and Storage sector which recorded expansion of output by 6.4 per cent in 2015 from KSh. 894.1 billion in 2014 to KSh 951.4 billion in 2015. The

road transport sub-sector had a growth of 4.5 per cent in yield to KSh. 613.9 billion in 2015. Clearly these demonstrate the critical role played by the Ministry of Transport,Infrastructure,Housing and Urban Development (MOTI&HUD).

Most of the roads under KeNHA are part of the infrastructure classified as 'enablers' in the Kenya Vision 2030 blueprint. They are vital in facilitating the growth of tourism, agriculture, manufacturing, wholesale and retail trade, business process outsourcing and financial services. These six priority sectors have been identified in the Kenya Vision 2030 as having the uppermost prospective for economic expansion. Furthermore, the continued development and modernization of roads will promote regional integration and trade (KENHA 2016).

The Road Sub-Sector Investment Programme 2010-2024 whose theme is "*providing good roads for a globally competitive and prosperous Kenya*" asserts that; Attainment of Kenya Vision 2030 and Millennium Development Goals will depend heavily on the quality of our road network and for every one shilling invested in roads, the multiplier effect to the country is a gain of two shillings and sixty cents in benefits.

1.1.4 Kenya National Highways Authority

The KeNHA is tasked with the management, development and safeguarding of all the national roads. The Kenya Roads Act, 2007 Section 22(1) empowers KeNHA to construct, uphold, operate, advance and manage the roads under the jurisdiction. The roads that fall under KeNHA are classified as A, B and C. The KeNHA recognizes that road development is not only road construction and maintenance alone, but in the broader sense includes the management and protection of road reserves.

The KeNHA is an autonomous road agency, tasked with the management, development, and maintenance of international trunk paths that link centers of international accord and which

cross the international boundaries or terminate at the various international ports (class A road), national trunk roads joining internationally critical centers (class B roads), and primarily roads linking provincially critical centers to the other or two higher-class roads (class C roads). Besides roads, KeNHA has 13 weighbridges, which are used to enforce the traffic regulations in the ferrying of goods across the country and the greater East African region.

1.2 Research Problem

Strategic management is considered as a set of choices and proceedings that are as a result of design and implementation of policy designed to meet a company or organization's goals. Strategy is the course and span of a firm over a long period that attains a competitive gain in an ever-changing environ through its arrangement of possessions and competences with the target of attaining the stakeholder's needs (Johnson Scholes and Whittington, 2008). For an organization to be proactive and foresee change, it has to be strategic in their approach. Management's challenge today is not very much to plan for change, but to find out how to live with it, foresee it and to capitalize on it.

For the last decade the Roads sub sector has undergone reforms. In 2007 after years of pushing for reforms in the Roads sub sector by the World Bank and Development partners together with all the stake holders in the roads sub sector saw the introduction of the Road Act 2007 that established several semi-autonomous roads agencies namely; Kenya Roads Board, Kenya National Highways Authority, Kenya Urban Roads Authority, Kenya Rural Roads Authority and Kenya Wildlife Service all with distinct but clear mandates as far as the roads subsector is concerned. The drastic changes indicate that Kenya has now to putting up together strong building blocks of an independent and efficient agencies in charge of all roads both classified and unclassified.

A survey of European businesses, depicts only 20% reporting considerable achievements with strategic alteration and other 63% taking temporary achievements (Beer and Nohria,2000).Those that did their ultimate at the change were termed as having the high management, which was essential in change projects, the more involved in communicating changes and not willing to twist the change guidance over to the outside consultants; successful businesses were described to having change knowhow that is greatly embedded as a functional potential. Humphrey (2005) also carried a SWOT analysis of management consulting firms in the United States and found out that in most intricate organizations, change will take place and move at varying speed crosswise all directorial units, and will convene differing levels of acceptance in those areas.

In the local scene, in 1990 the Government of Kenya approved the establishment of Performance Contracts in the management of the public agencies. Some few governmental corporations tried to come up with variants of performance contracts, which were however, not implemented. In 2003, the Government set a pledge to come up with performance contracts strategy as change handling practice instrument to ensure responsibility for consequences and transparency in the management of the public utilities. However, over two decades later, the effects are yet to be realized by members of the public more especially in the state corporations.

Gakii (2010) conducted a reading on the various challenges of strategy accomplishment on the Kenya public sector focusing on the Kenya Revenue Authority and noted the critical challenges are poor communication, be deficient of a shared vision,pitiable planning, and implementation developments. Nyororo (2006) studied strategic change management and performance of National Social Security Fund (NSSF) and observed that change management

efforts were planned and had a clear line which has positively impacted on the performance of NSSF.

Gichunge (2006) did a study on the consequence of official strategic change management on the act of selected the medium sized manufacturing enterprises (MEs) in Nairobi. The research found that many of MEs have accepted formal strategic change management. Mwangi (2013) studied strategic management preparations and the performance of big pharmaceuticals in Nairobi. From the research, she concluded that there exists a optimistic relation among all the strategic practices and performance.

In summary therefore, the Kenyan public sector has gone through many strategic and operational change management practices in a bid to implement strategic changes that are beneficial to their respective stakeholders. Although multiple findings have been done to assess the extent and nature of strategic change management practices in most public sector organizations, there has been less focus on the Roads sub sector agencies as compared to other public sector agencies. Therefore, there is a research gap based on the consequences of the strategic change management practices in the roads sub sector and in order to fill the knowledge gap this study sought to give answers to the listed research question; which are the consequences of strategic change management practices on performance of Kenya National Highways Authority?

1.3 Research Objective

The research objective was to determine the effects of strategic change management practices on performance of Kenya National Highways Authority

1.4 Value of the study

This finding will be relevant in guiding the Kenya National Highways Authority's management in formulating policies and guidelines of the strategic change management thus

provide a framework in operationalization of the strategic change management. This study will enable the management of Kenya National Highways Authority to better understand the challenges of strategic change management and how to counter them in order to succeed in adopting the strategic change management in the firm.

Management must therefore ensure the set policies are not too stringent that they limit the employees from exploring their potential for the benefit of the organization and neither should they be too lenient such that employee's performance declines.

The other Roads Agencies will understand the notion of strategic change management, how it happens and the major challenges that organizations face when going through strategic change therefore this study will also serve as a benchmark to the other Roads Agencies in the country namely Kenya Urban Roads Authority and Kenya Rural Roads Authority.

Researchers and scholars will find the study valuable in that it will provide information that will broaden their spheres of understanding of the strategic change management field and further the study will identify gaps that will create an opportunity for further research.

The outcome of the study will also affix some knowledge to the existing knowledge. Future researchers will benefit from the study as they will refer to the study as they conduct more studies on strategic change management.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter described the views and perspectives of different scholars of areas that touch on the research questions; these are theoretical review, Empirical studies on Strategic change management practices, Challenges of Strategic change management and chapter summary.

2.2 Theoretical Foundation

This study was underpinned by 3 theories commonly used in explaining strategic change Management Practices. These are; Theory of disruptive Change, Organization Change Theory and Resourced view based theory

2.2.1 Theory of Disruptive Change

This theory was directed by the Christensen (2000) theory of unruly technologies. This is a critical focal point of novelty theorists. In know-how firms, the theory is of major attention because it depicts brightness into the consequences of technology on the markets and the techno-economic view of a company. A disorderly technology is that which initiates a finer technological quality to the major merchandise, a prospect that causes distraction to the market gap of the main commodity.

It shows that the disruptive technology is one with inferior performance and traits in the beginning in evaluation to the inventive product. As this technology advances, it starts to control a position in the marketplace of the main technology and it may soon outdo the odd commodity in performance. In the beginning, a disruptive technology covers a diverse market sector in comparison with the existing commodity. It competes on varying set of subjects and main concerns. In accordance to Christensen (2000), the idea of the disruptive technologies

do not restrict itself to the corporal consumer commodities. It can evenly relate to a service-based diligence as the case of this study.

2.2.2 Organizational Change Theory

Businesses have been changing at a break neck speed, so managers must reorganize their firms to gain a competitive advantage. According to the organizational change theory, change is of utter necessity in an organization. The theory explains that change of organizational culture, structure, and design would help an organization into adopting efficient and effective change strategies. Indeed, as per McDonald (2000), Darwin's theory of endurance for the fittest, is commonly used to the managerial theory. In this illumination, Vaill (1989) shows that firms must implement a change, only when it is a must, or there is a risk of eradication from competition.

The theory says that firms should have a change that is goal based, and an important result for businesses in a competitive environment is profitability.

2.2.3 Resource Based View Theory

Competitive advantage of a firm is largely influenced by the uniqueness of its abilities. The theory of Resource Based View was developed by Wernerfelt, (1984) and proposes that the resources a firm has are the chief determinants of its performance, and they may add to an attainable competitive advantage in the concerned firm. In the resource-based theory, strategic planning utilizes organizational reserves to produce a feasible strategy. This means that in order to develop a strategy an organization should check on the resources available for the implementation of a specific strategy like Change strategy.

The theory provides theoretical underpinnings for understanding how resources can be managed strategically and efficiently. The theory is relevant to our study in that the

researcher seeks to establish the strategic change management practices like superior resources which help the organization to be highly competitive and very dynamic.

2.3 Challenges of Strategic Change Management

In change implementation, the major challenge is likely to be carrying the body of the firm with the change (Burnes, 2009). It is one issue to change the pledge of some senior executives at the top ranks of the organization, and an extra to alter the body of the organization to an acceptance of a noteworthy change. Consequently, the following are the challenges 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 a firm is a set of "unwritten rules". Management may have protocols for the staffs to stick to the high perform business processes. Viewpoints and practices that are embedded in an organization's traditions can start off anywhere: from one prominent person, work group, branch, or division from the base of the organizational pecking order or the top (Kotter and Heskett, 1992). Thompson and Strickland (2003) argue that a firm's way of life is either a vital contributor or a barrier to successful policy implementation. A sturdy culture is a priceless benefit when it is as per the strategy and a dreaded burden when it is not.

Faced with strain for change, managers may deal with the condition in ways that are in accordance with the pattern and the social-cultural and political customs of the organizational life. This raises challenges when organizing the strategic change for it can be that the deed required is outside the span of the model and the restrictions of the cultural web: that is affiliates of the company would be needed to change their interior beliefs or the' way things are done around here'.

Strategic drift; The ever increasing environmental turbulence appears to be currently showing signs of discontinuity. Strategies widen incrementally based on the historical and cultural controls but are unsuccessful to keep up with the changing environ. This is a strategic glide (Johnson, 1988). In these circumstances, the approach of the firm will deviate from the environment in which the firm is based. This can be a progression that takes a considerable amount of time, and management cannot discern it until the drift is so marked that performance worsens. Consequently, change will not lead to watchful, logical and adaptive making of a strategy, which is as per the environmental changes.

Employee resistance is another challenge. Staffs oppose change often due to lack of awareness of the urge for change and they also fear the consequence of change. Poor communication is also another challenge. Poor communications are likely to share in-depth particulars about the project such as the status updates and progress and not the rationale for the foreseen change, and are delivered by a person who may not be the preferred senders such as a project team leader or communication professional (Dalziel and Schoonover, 1998). Equally getting leading executives and project groups to understand the need for change management and achieve the financial success of change management is another problem. Failure to have full support around the need for change management, change management is

either brought on to a project when it is late, under tasked only with communications and training processes, or not used on the project at all (Galavan et al., 2008).

2.4 Empirical Studies and Knowledge Gaps

In order to survive in changing business environment, organizations must adopt new strategies. Mbwaya (2012) did a study on strategic change management practices at Barclays Bank of Kenya. He identified the importance of strategic planning, timely planning and stakeholders' involvement in reducing resistance to change. The findings were that there is no universal approach to the strategic change management and therefore its practices keep evolving from time to time depending with– the changes in the environment.

Nganga (2014) studied strategic management practices and performance of Dyer & Blair Investment Bank in Kenya. Mugo (2014) studied strategic management practices and performance of Kenya Revenue Authority. Both studies identified a positive relationship between strategic management practices such as visible leadership, effective customer service, customer awareness to good performance. Strategic planning was found to lead to effective company performance.

Muogbo (2013) carried out a research on the force of strategic change management on organizational development and the advancement in manufacturing firms in Anambra state in Nigeria. The conclusion was that though strategic change management is not a widespread business doing among the manufacturing firms in Anambra State, it is a veritable tool for improving the competitiveness, performance standards, and structural expansion of manufacturing firms in Anambra State and Nigeria in general. Gichunge, (2006) did a study on the effect of official strategic change management on the performance of selected middle level manufacturing companies in Nairobi. The findings were that most of MEs have taken in formal strategic change management which has improved their performance.

Kimaita (2010) did a research in 2010 on strategic change management practices in the Teachers Service Commission in Kenya. She discovered existence of many changes that cause disputes in various institutions. These are information technological innovations, political, social-cultural and consumer behavior. Due to these aspects, multiple organizations are necessitated to improve their business procedures to endure in the competitive environment. It implies that they have to start strategic changes to make parallel their business strategies to the current environment and matching the resources and doings of the company to those of the environment.

Gachohi (2014) was involved in a study focusing on 54 NIC-Bank management and employees in head office and all the sixteen branches. The main agenda of the research was to establish the problems the commercial banks face, which need strategic change management. The conclusion was that strategic alterations happened in various banks. These strategic alterations were caused by internal aspects, external reasons and the technological factors.

2.5 Summary of Literature and Research Gap

Considering that the narrative highlighted most of the studies examining the relation amid strategic change management activities and organizational performance have been done mostly in other public sector agencies and few in the roads sub-sector, the question left unattended to is the effects of strategies change management practices on the firm performance. To fill this slit and examine the continuation of suchaffiliation, it isimperative to carry out research in the roads sub sector in Kenya.

<center>**CHAPTER THREE**</center>
<center>**RESEARCH METHODOLOGY**</center>

3.1 Introduction

This chapter presented the study design; it outlined the general methodology used to carry out this research. It embodied; the study design, the research population, information collection methods, research procedures and the methodology that the examiner used in the study.

3.2 Research design

The case study method was used with the intent of creating a deep understanding of change management at the Kenya National Highways Authority. Case studies according to Merriam (1988) are used to understand an occurrence and investigate processes or causes of actions in the current time without the need to manipulate the variables. It aimed to get detailed information in order to find out how the Kenya National Highways Authority had managed change and the challenges it encountered. A case study was used to give an in depth study of change management rather than the statistical survey.

The case study was useful in testing scientific models and theories in the reality work. In this case the research design sought to establish if any models of change management was embraced in Kenya National Highways Authority where five general managers and eight sectional Heads were targeted by the study.

Based on information required for learning, a case study is an appropriate design since it gave a full contextual analysis of events. Case study is an influential outline of qualitative analysis, which involves a cautious and total observation of a social element, irrespective of the types of unit that is under study and aid in making comparison.

3.3 Data collection

The researcher used interviews to collect data as it was reliable and accurate however the researcher had to make appointments and spare time for the staff that were busy on a daily basis.

Primary data was sourced using pre-determined interview channel. Both open and closed ended prompt questions were used to collect primary data. According to Creswell (2000), data collection methods for primary data include: structured and semi-structured interviews (personal and telephone interviews), observation and focus group interactions**.** Likert scale questions was utilized because they were suitable; abided by the principles of validity, reliability and consideration.

3.4 Data Analysis

The interview guide was analyzed, summarized. The data was checked for errors, accuracy, completeness of recordings and omissions then the data was presented using pie charts and tables which were easy to read and interpret.

Content analysis and descriptive statistical technique was used to analyze data. Content analysis is utilized in coming up with inferences by systematically and objectively defining specified traits of data (Nachmias & Nachmias, 1996).To carry a data analysis on any text, the data is coded or split into manageable classes on various levels-: word, word sense, phrase, sentence or theme, and then there it is examined using one of content analysis methods namely conceptual or relational analysis since it do not restrict the respondents on answers and has the potential for generating more information with more details.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This part presented data analysis and outcomes of the research as defined in the study methodology. The study sought to determine strategic change management practices on performance at KENHA. The study targeted fourteen (14) senior managers at the organization to be involved in the interview. The managers and section heads represented the departments and sections of KENHA. The compiled interview guide was edited to ensure completeness and consistency.

4.2 General Information

4.2.1 Response Rate

The study focused on 14 respondents as they were found to be appropriate because they had knowledgeable on the study area. The respondents comprised of Director General, General Manager Maintenance, General Manager Planning and Environment, General Manager Special Projects, General Manager Design and Construction, General Manager Finance, Head of ICT, Manager Procurement, Manager Corporate Affairs, Head of Legal and Regulatory Affairs, Head of Human Resource Management and Development, Head of Internal Audit, Head of Quality Assurance and Head of Enterprise Risk Management. The response rate was good as 13 out of the 14 interviews were conducted. This makes a response rate of ninety three percent which is exceptional in accordance to Mugenda and Mugenda (1999).

The response rate demonstrated a positive feedback in that thirteen out of fourteen top management employees responded giving the research study a ninety three percent response rate which was a good indicator of the responsiveness of the respondents because it only left those who did not respond at seven percent hence giving a true reflection of the situation in the Kenya National Highways Authority.

4.3 Respondent Demographic Profile

This section covered the general information about the respondents who took part in the interview exercise. In the interview guide, each respondent was asked four questions on gender, rank in the organization and education level. This part provided an examination of the demographic traits of the interviewees based on regularity analysis.

4.3.1 Gender

The study found that the male gender was fifty four percent and the female gender was forty six percent. This shows that both genders were well represented in the study because the frequency of male gender was seven against six which was the frequency of female gender from a total of 13 respondents and this formed a generally good representation of both gender as the composition was fairly distributed to enable the researcher achieve the study objectives.

4.3.2 Rank of Respondents in the Organization

The respondents were asked to indicate their rank in the organization, question five in the interview guide asked about the respondent's rank in the firm. The outcomes indicated the ranks of the respondents as follows, whereby majority of the respondents were middle management at sixty one percent or eight respondents and top management at thirty nine percent or five respondents and this formed one hundred representation of the organization.

The researcher in posing the interview question on the ranks of the respondents sought to find out the ranks of the change agents who were the top and middle level management and hence demonstrated a higher understanding of the strategic change management practices adopted in the organization which they supported in implementing because they understood without top leadership support then it would have been difficult to implement any strategic change management practice therefore not achieve desired objectives of the organization

From the response, the researcher was convinced that strategic change management practices were being spear-headed by the middle level and top level of Kenya National Highways Authority, which facilitated in mitigating resistance to change challenges posed by employees due to the fear of the unknown and the change initiated with the support of top management stands a better chance of success.

4.3.3 Employee level of Education

LEVEL OF EDUCATION

PHD
0% 5%

Bachelor's
[CATEGORY NAME]
[PERCENTAGE]

Masters
70%
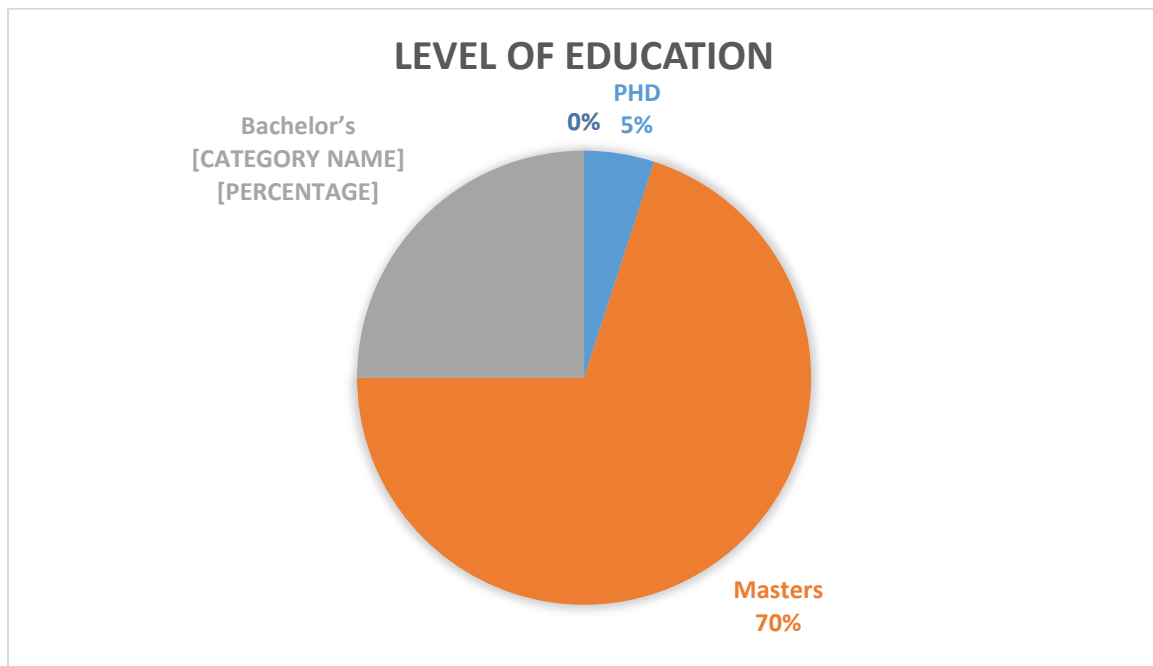
Figure 1: Classifications by employee level of education

Source: Researcher (2016)

The study also wanted to determine the height of education of the respondents in the organization. The results in figure 1 shows that seventy percent (9 respondents) who were the majority showed that they had master's degree, twenty five percent (3 respondents) depicted had a bachelor's degree whereas five percent (1 respondent) indicated that they had a doctorate.

4.4 Strategic change management practices

4.4.1: Employee working duration

The research sought to know the total number of years the people had worked in the organization. The outcome of the interview showed that majority of the employees had worked for the organization for less than five years, which was fifty-two percent of the entire organization; Thirty-two percent of the employees working in Kenya National Highways Authority indicated that they had worked between three to five years whereas eleven percent of the employees interviewed indicated that they had worked for five to seven years. Finally, the remaining five percent showed that they had worked for the organization for over seven years.

The findings showed that the respondents had been in the organization long enough to have enough knowledge about strategic change management practices and the influence on organization performance at Kenya National Highways Authority, therefore giving the research an in-depth data required to come up with a conclusive study on the understanding levels of the respondents on strategic change management practices undertaken by the organization to improve the overall performance of KeNHA.

4.4.2 Strategic Change Management Practices Programs

The respondents were asked if the organization had change management programs. The study found out that majority of the respondents thus seventy-seven percent agreed that there were change management programs and twenty three percent or three of the respondents responded to the contrary. Change management programs was evidenced by the existence of high frequency rate i.e. those who agreed that there was change management programs scored; 10 out of 13 respondents giving a seventy seven percent against twenty three percent of those who disagreed that there existed change management programs as they had a frequency rate of three hence all these forming a hundred percent.

From the aforegoing it was clear that the Kenya National Highways Authority had elaborate change management programs that could be easily identified by the employees of the organization as it was demonstrated from the response rate from the respondents who actually were charged with the responsibility of overseeing the implementation of the change management programs to achieve the set objectives of the organization.

4.5: Strategic Changes at KENHA

There are changes in KENHA as the results of the findings indicated i.e. one hundred percent of the respondents agreed unanimously that there are changes in the organization. The respondents identified the changes in KENHA as restructuring were twenty three percent, performance contracts fifteen percent, intensive trainings were eight percent, periodic evaluations were twenty three percent, competitive compensation were eight percent, job promotions were eight percent and automation of processes fifteen percent.

All respondents were in agreement on the fact that there existed change in the organization which influenced individual as well as performance of the organization, the forms of change identified in KENHA included restructuring; which influenced the fundamental operationalization of the organizations functions, reward management (intensive training, periodic evaluations, job promotions) to enhance individual skills for improved performance, periodic evaluations to monitor progress and identify gaps hindering change implementation and job promotions to motivate employees towards achieving organizational objectives which was the key driving impetus of change in KENHA.

4.5.1 Causes of strategic changes and effect on operations

As shown in below, thirty percent of the respondents believed that entrance of competition from other related organizations led to change at KENHA, thirty eight percent believed that technology was the main reason that led to change, twenty three percent believed in change of stakeholder needs and eight percent believed that government requirementsled to it**.**

The causes of strategic changes and effect on operations were identified by the respondents as follows in that entrant of new competition had a frequency of four giving a thirty percent of the population, Technology or automation had a frequency of five thus forming thirty eight percent of the respondents, change in stakeholders' needs garnered a frequency of three which was twenty three percent whereas government regulations had eight percent which was one frequency.

4.5.2 Strategic change management Leader

The study sought to determine from the respondents who is involved in strategic change management in KENHA. The interview guide found out that change was found to be mostly influenced by top leadership, but on other occasions been influenced by market demands, competition and government regulations. Global trends were also found to have also influenced change in KENHA. In relation 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.

4.5.3 Challenges faced during strategic change management practices

The respondents were also asked to point out the challenges faced during strategic change at KENHA. Low or inadequate of budgetary allocations, resistance to change, information and technological innovations, time allocated for the change, poor communication of intended strategic change, increased competitiveness from related organizations, specialized labor which is either nonexistent or expensive were amongst the challenges mentioned. Mostly changes were anchored on corporate strategy and which when not communicated properly sometimes became a major challenge. Others 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 implementation due to mistrust and this delayed buy in of the proposed change.

4.5.4 Handling and response to strategic change challenges

Respondents handled strategic change Challenges by enhancement ofcollaboration or participation between departments through group meetings, 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. Resistance to change was handled by training, briefings, rewarding and dismissals to counter resistance to change initiatives in the organization.

4.5.5 Strategic Change Impact on Performance

In an attempt to establish how positively the changes influenced the performance indicators of KENHA. The indicators asked by the researcher were; Customer satisfaction, Employee welfare, Stakeholders interest, and Return on investment. Employee welfare included training, remuneration and staff morale. The weights attached to each of the above factors shows the ranking in terms of the most positive to performance.

Strategic change impact on performance was analysed and the performance indicators had the following mean as follows in that an average mean was allocate to the performance indicators whereby stakeholders interests had a mean of two point five, customer behaviour had a mean of two point four, employee welfare had two point eight and return on assets scored a mean of two point six. All the indicators gave a average mean of two point five seven five.

4.5.6 Role in implementation of Strategic change

As shown below, sixty one percent of the respondents felt that they were engaged in the change management practices while thirty nine percent were to the contrary based on the roles that they were assigned to play in the implementation of change. From the role in implementation of strategic change assigned sixty one percent of the respondents had a frequency of eight indicating a perception that they were totally engaged while thirty nine percent were to the contrary indicating a level of disengagement in the change implementation in the organization.

4.5.7 Strategies in Change Management Practices

The respondents were asked to make what different strategic change to the management for successful alignment to organizational objectives. The majority who formed thirty two percent stated strategic review meetings, constant training formed twenty four percent, use of consultants formed twenty four percent and involving everyone each and every person had a sixteen percentage of all the response got from the respondents. From the response, it was clear those different change strategies adopted achieved different organizational objectives

Different change strategies had achieved different objectives based on the strategies adopted and the roadmap or blue print taken and how it is implemented involving all the stakeholders at hand or who are to be affected by the strategic change management practices suitable to meet the demands and needs of the stakeholders in the organization. The respondents from Kenya National Highways Authority indicated strategic review meetings involving all the stakeholders as achieving the objectives of the organization and all involved in the change practices and constant briefings and trainings added value to the process of change practices therefore giving a good sign of strategies adopted bearing fruit as intended.

4.6 Discussion of the findings

One of the findings of these study showed that the respondents perceived that overall strategic change management practices was very influential on organizational performance. The respondents agreed that there was a positive relationship with stakeholder's interests, customer satisfaction, employee's welfare and improvement in return on assets.

This finding further reinforces the findings by researchers such as Gakii (2010), Nyororo (2006),and Mwangi (2013) which showed a positive relationship between implementation of strategic change management practices and performance of an organization in recognition of

the importance of overall strategic change management practices on performance strategies in organisations.

The organisations strategic change was caused by other competing roads organizations, technological adoption, changes in stakeholder's needs and government regulations. Top leadership was identified as the main leaders of strategic change management such as the chief executive. Global trends and market demands were also the main causes of the change. The employees, intensive trainings, periodic evaluations, competitive compensation, job promotions and digitalization of processes in the organization, did the change strategies that the respondents mentioned in the organization-included restructuring of the KENHA, performance contracting that on yearly basis.

According to the interviewees it was evident that the changes which had been adopted at the Kenya National Highways Authority was planned and emergent change where the organization was receptive to

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the research based on the research goals. It also includes the conclusions, suggestions, limitations of the research, and suggestions for further research on strategic change management practices and organizational performance at KENHA.

5.2 Summary of findings

The main goal of this research was to get the effect of strategic change management practices and performance at KENHA. The study showed that the strategic change management practices at KENHA met the needs of stakeholder's interests, customer satisfaction and employee welfare. According to the study, the strategic change management practices were done through restructuring of KENHA, performance contracts, intensive training, periodic evaluations, competitive compensation, job promotions and digitalization of processes.

The study also identified that the top leadership and global trends were the main change leaders of the strategic change management effort.

There were several challenges also identified at KENHA and low budgets, resistance to change, poor communication of the change and limited time were strongly mentioned as hindrances of successful strategic change implementation.

5.3 Conclusion

From the abstract of the outcomes of this research, several conclusions were made; first, the findings of this paper showed that strategic change management practices namely restructuring, performance contracts, intensive trainings, periodic evaluations, competitive compensation, job promotions and digitalization of processes had an effect on organizational performance. Therefore, Human Resource managers in KENHA in order to boast their performance; they should endeavour to adopt strategic change management practices and address the challenges that affect smooth implementation of strategic change management practices.

5.4 Recommendation

From the findings of this study, several recommendations were drawn for effective application of strategic change practices at KENHA.

5.4.1 Adoption of Strategic Change Management Practices

First, Human Resource managers should offer different types of strategic change management practices to improve performance as noted by the study. The management of the KENHA should take bold step of adopting strategic change management practices that are unique and relevant. They should also ensure that all the employees are competent enough to carry out these strategic change management practices by having frequent in-house training. The organization could also invest in business seminars and conferences so as to get new ideas on the same. Application of new, better and more meaningful strategic change management will transcend to better performance.

5.4.2 Structural entrenchment of strategic change management practices

Strategic change management practices should be entrenched in the structure of the KENHA. As a stop gap measure the organization should address all the challenges affecting change management practices. The stakeholders should consider introduction of annual strategic change management audits with a view of strengthening their capacities in managing change.

5.4.3 Consultancy engagement in strategic change management practices

The Kenya National Highways Authority should consider engaging specialized consultants to interrogate their structures on the viability of sustaining change processes and further seek guidance on various stages of strategic change implementation.

5.5 Limitations of the study

This study was a case and therefore the explore was limited to KENHA. Thus the findings on strategic change management practices and performance are limited to the organization as such they cannot be generalized as remedies to other firms.

The study may have some weaknesses inherent in the interview guide for data collection as interviewees may suffer from personal biases and may not represent the factual opinion of the organization.

5.6 Suggestions for Further Research

Need for more studies in this area to examine how strategic change management practices affect organizational performance in other organizations. This should be done by having a larger population of organizations.

Findings of the existing revise may not be valid to all firms in general, Kenya in particular, since there are vast variances in the environments. Organizations have varying environments;

therefore, there is a likelihood of organizations being structured and strategic change management practices carried out differently. Accordingly, extra explore is needed on this subject in other organizations in order to understand the generalizability of the outcomes.

There is also need to carry out a study to examine the sustainability of strategic change management practices because there is greater need for organizations to be able to sustain the adopted strategic change.

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TOPIC: AN ANALYSIS ON STRATEGIC CHANGE MANAGEMENT PRACTICES IN KENYA NATIONAL HIGHWAYS AUTHORITY

SECTION A

1. Name of the organization…………………………………………………………..

2. Department……………………………………………………………………………

3. Respondents name

4. Gender   (   ) Male   (   ) Female

5. Respondent's rank in the organization

6. Level of education

SECTION BSTRATEGIC CHANGE AND PERFORMANCE

1. How long have you worked in this organization?

2. Does your organization have a change management Program?

3. Has there been any changes in KeNHA in the past?

4. Have the changes affected your operation; please indicate the cause of change?

5. How is KeNHA structured?

6. Were the changes anticipated and were you prepared and informed about the change?

7. How did you handle the change?

8. How did the change impact on the general performance of KeNHA?

9. What are your views on the changing practices that were undertaken?

10. Were you part of the change management implementation?

11. Who was there a change leader?

12. What are the challenges faced in the process of implementing the change, how did you handle them?

13. Is there strategic change management programs?

14. Who carries out strategic change management practices?

15. Do you think strategic change is relevant to your organization?

16. What are some of the challenges that affect change practices in your organization?

17. What would you do differently as part of the strategic management team in ensuring the organizations strategies are aligned to the organizations objectives?