

**MANAGEMENT OF STRATEGIC CHANGE AT HOMA BAY COUNTY
TEACHING AND REFERRAL HOSPITAL, KENYA**

BY

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DECLARATION

This Research Project is my original work and has not been presented for a degree in any other university.

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DEDICATION

This research project is dedicated to my supportive parents Mr & Mrs Kiche and my siblings who encouraged and supported me to continuously pursue excellence in all that I did.

May God bless you abundantly.

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TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABBREVIATION & ACRONYMS	vii
ABSTRACT.....	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Strategic Change	3
1.1.2 Management of Strategic Change	4
1.1.3 Kenya’s Health Sector	7
1.1.4 Homa Bay County Teaching and Referral Hospital	8
1.2 Research Problem	10
1.3 Research objectives.....	12
1.4 Value of the study	12
CHAPTER TWO: LITERATURE REVIEW.....	14
2.1 Introduction.....	14
2.2 Theoretical Foundation	14
2.2.1 Open Systems Theory	14
2.2.2 Organization Development Theory.....	15
2.3 Strategic Change Management Practices.....	16
2.4 Challenges of Managing Strategic Change.....	18
2.5 Measures to Deal with Challenges of Managing Strategic Change.....	19
2.6 Summary of Literature Review and Knowledge Gaps	21
CHAPTER THREE: RESEARCH METHODOLOGY	23
3.1 Introduction.....	23

3.2 Research Design.....	23
3.3 Data Collection	23
3.4 Data Analysis	24
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION	26
4.1 Introduction.....	26
4.2 Strategic Change at Homa Bay County Teaching and Referral Hospital	26
4.3 Strategic Change Management Practices at HBCTRH.....	28
4.4 Challenges in Managing Strategic Change at HBCTRH.....	33
4.5 Managing Challenges of Strategic Change at HBCTRH.....	36
4.6 Discussion	38
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	43
5.1 Introduction.....	43
5.2 Summary of Findings.....	43
5.3 Conclusion	44
5.4 Recommendations for Policy and Practice	46
5.5 Limitation of the Study	47
5.6 Suggestions for Further Research	48
REFERENCES.....	50
APPENDICES	56
Appendix I: Letter of Introduction.....	56
Appendix II: Interview Guide	57
Appendix III: Secondary Data Capture Form	58
Appendix IV: Annual Work Plan	59
Appendix V: Strategic Change Management Committee Report.....	60
Appendix VI: Official Letter on Change of Transaction Mode.....	61
Appendix VII: Management Report and Minutes	62
Appendix VIII: Management Report and Minutes	63

ABBREVIATION & ACRONYMS

BOM:	Board of Management
CEO:	Chief Executive Officer
HBCTRH:	Homa Bay County Teaching and Referral Hospital
HMT:	Hospital Management Team
FBO:	Faith Based Organizations
GOK:	Government of Kenya
KHPF:	Kenya Health Policy Framework
KHSSP:	Kenya Health Sector Strategic Plan
KMTC:	Kenya Medical Training College
MOH:	Ministry of Health
NGOs:	Non – Governmental Organisations
NHIF:	National Hospital Insurance Fund
NSHIF:	National Social Health Insurance Fund
WHO:	World Health Organization

ABSTRACT

Firms and companies all are living in a moment which the speed of change is so high that we begin to see the present when it is already disappearing. Introducing change and managing it is necessary to ensure success in the future. Change is necessary for an organization to focus on repositioning, renewal, reorganizing and a systematic development. This study therefore seeks to establish how Homa Bay County Teaching and Referral Hospital has managed strategic change since management is unique to every organization. The study objectives were to establish strategic change management practices adopted by Homa Bay County Teaching and Referral Hospital in the management of strategic change, to ascertain the challenges facing HBCTRH in managing strategic change and to determine measures that are undertaken to manage challenges faced by HBCTRH. This study adopted a case study approach to ensure an in depth understanding of HBCTRH. Primary and secondary data were collected. Primary data was collected through interviewing four top level management. Secondary data was collected through the use of management reports and minutes, annual work plan, strategic change management committee reports and relevant official correspondences and testimonials. Data obtained was analyzed through content analysis in accordance with the major objectives of the of the study. From the result it was evident that HBCTRH was experiencing strategic change. Strategic change management practices adopted were in line with the eight pillars of health system management that include health service delivery, health workforce, health information system, essential medical products, vaccines and technologies, health financing system, leadership and governance, Infrastructure and research and innovation. Challenges experienced include poor employee mentality, lack of strategic plan, over-reliance on development partners, lack of commitment on the part of county government to support the health function, failure to integrate administrative processes and strategic change management processes, insecurity, resistance to change by the employees and limited resources. Challenges were managed by improvement of employee engagement and commitments in order to change their mindset, formulation of strategic plan to give a clear road map, rallying the county government to support the hospital agenda, revitalization of financial management at the hospital to reduce overreliance on partners, lobbying for increased allocations from county governments and looking for donor funding for capital projects and erection of a perimeter wall around the facility as well as increasing the number of security personnel. The study recommends that HBCTRH could explore more effective practices in the management of strategic change to ensure that challenges are highly reduced and thus enhancing the chances of success of a change initiative. There is also need for speedy formulation of a strategic plan that incorporates all the departments of the facility. The findings of this study, being a case study carried out in a single facility, may not be generally applicable to other facilities or organizations. The research finally recommends adoption of other more objective research designs in conducting similar studies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Firms and companies today operate in a very dynamic and continuously changing global economic environment characterized by rapid growth. In order for the organization to exist into a foreseeable future and have sustainable success, change is inevitable and so is the strategic change management. Governmental as well as Industrial organizations are expected to continuously strive to align their operations to the changing environment (Ackoff, 2006; Burnes, 2004). Firms, companies, institutions and their top management are also shifting their approach from management of tangible property and global markets to innovation, human resources and knowledge management as a matter of strategic significance. Several approaches have been applied in the management of change yet organizations undergoing change significantly vary in their structure, systems, strategies and human resources (Al-Haddad & Kotnour, 2015). In an ever-increasing global market growth and competitive environment, the organization's capacity to handle change and a consideration of whether the turbulence that comes with change can be managed by the organization is increasingly becoming important (Cao & McHugh, 2005). Application of theories of organizational change in the analysis of human organizations were reported to have increased during the mid-20th century and are still expected to persist into the future (Byeon, 2005).

There are two predominant theories that explain the management of organizational change. These are open system theory fronted by (von Bertalanffy, 1956) and organization development theory (Lewin, 1943) they provide the basis for the implementation of various changes within an organization. Open system theory explains that as open systems, organizations are composed of a number of interconnected subsystems. Freeman & Mvea (2001), asserts that for survival and success of an organization in an open system, its interaction with the external environment is very vital. This theory suggests that all

organizations and systems, whether social, organic or mechanical, can be defined by how they interact with their environment (Gregory 1999). All the proponents of this theory agree that organizations growth and survival is determined by the nature of the environment it faces and the future environmental factors. Organization development theory on the other hand considers development of an organization as a consciously planned process that could be organized with a specific change stimulus in mind (Schein,2006). Bennis (1966), views Organizational Development as a response to change or as a training strategy that is aimed at altering the values, beliefs, attitudes and organizational structure for the purposes of adapting to new innovations and technologies, enhancing competencies and dealing with challenges impeding management of strategic change. The proponents of the theory affirm that to cope with change, organizations and their management must adopt effective organizational development strategies. These strategies could include; planned team building sessions and improvement of system functions of the organization that goes a long way in helping organizations cope with both internal and external turbulence.

Homa Bay County Teaching and Referral Hospital is one of the public institutions that is undergoing disruptive change due to devolution of the health sector, elevation of the facility from Level 4 hospital to Level 5 and an eventual change in key management staff. The facility has been undergoing a number of transformative strategic changes since the beginning of financial year 2016 so as to enhance service delivery and efficiency in operations. These key changes were aimed at primarily improving the general healthcare service delivery and also to attain the minimum threshold of level five hospital. The posting of a Chief Executive Officer to the hospital brought about changes in how the facility is managed. These informed the need to adopt new change management strategies which were however impeded by some challenges, hence the organization had to formulate ways of

dealing with these challenges to ensure effective change management (Homa Bay County Teaching and Referral Hospital, 2017).

1.1.1 Strategic Change

Various scholars hold divergent schools of thought on the meaning of strategic change. Handy (1993), define strategic change as those processes, decisions and actions that are executed by an organization's management in order to achieve their strategic goals. Balogun & Hailey (2004) however, defines strategic change as an innovative introduction of a new thing in an existing environment. Burnes (2009), asserts that strategic change is a process by which organizations reorganizes and restructures their operations in a defined direction so as to achieve their strategic objectives in long run. All these authors agree that strategic change encompasses changes of process, systems and organizational structures in order to attain success and growth in a constantly changing and dynamic business environment. Therefore, Strategic change involves changing of systems, policies, values, styles and the employees of an organization so to align them to the changing environment for the achievement of the strategic goals of the organization.

Organizational strategic change exists in two broad aspects; people and business dimensions. The people aspects involve alignment of workforce into the process of change. This entails ensuring that the organization's culture, core values, norms and behaviour are in conformity to the change process and monitoring how stakeholders respond to the whole process of change (Snjolfur & Davidsdottir, 2015). The success of the change process is employees dependent hence it is imperative to make sure that they accept and own it. The business aspect to organizational change however, entails change in the organizational structure, processes, systems as well as strategic approach (Burnes, 2004). This aspect of change lays emphasis on implementation and evaluation of change as very integral aspects to change management. Other factors that are of essence and critical consideration to business aspect of

change are magnitude, duration and the extent to which the change will be deviate from the existing business or environment of the organization.

The major reason for strategic change is to make sure that an organization is moving in the right direction and adapting to the changes in their environment in an amicable way. These changes may be prompted by performance gaps, new innovation, emergence of new markets or as a result of reaction to internal or external pressures. It also enhances implementation of the critical pre-planned measures of ensuring success of the organizations despite the ever changing and dynamic global business environment (Mantere & Schildt, 2012).

1.1.2 Management of Strategic Change

Hill & Jones (2001), defines strategic change management as plans implemented by an organization with the sole purpose of attaining the overall strategic objectives of the organization and to give it a competitive edge in the market. Today's business environment demands that companies undergo drastic changes if they are to remain competitive. Moran & Brightman, (2001) agree that change management is a process rather than an event, that involves continuous evaluation of the organization's direction, capabilities and structure then modifying them to meet the ever-changing needs of both the external as well as the internal customers. It involves defining and instituting new values, attitudes, norms and organizational behaviours that buttress new strategies within an organization and assist in overcoming to change resistance. This can be done through consensus building among various stakeholders and customers on specific changes intended to improve satisfaction of their needs, planning, testing and implementation of all necessary aspects of the change from one business process or organizational structure to another (Song, 2009).

Davis & Holland, (2002) state that, once an organization's strategy has been formulated, an appropriate change management is employed to ensure that the strategic changes required to achieve the goals of the strategy are properly planned and executed in the most cost-effective manner, concluded within the budgeted timelines and favourable results are obtained. Managing strategic change is usually attributed to organization's competitiveness and response to changes in the ever-changing organizational environment (Todnem, 2005). Understanding and managing change are crucial themes of management in today's turbulent and complex organizational environment because change is a constant factor in organization in order remain competitive (Song, 2009).

The change management can be classified as emergent and planned approaches to change management. Change is at times deliberate, a product of conscience reasoning and action (Otieno, 2011). Planned approach views organizational change as a process of moving from one state to another, through a series of preplanned steps. Emergent change may at times unfold in an apparently spontaneous, accidental and impulsive or forced on an organization (Otieno, 2011). Change can be emergent and not planned in two ways; one is that manager's make a number of decisions apparently unrelated to change that emerges and two external factors (such as economic behavior and political climate) or internal features (Such as relative power of different interest groups, distribution of knowledge and uncertainty) influence the change in directions outside the control of managers (Mintzberg 1989). In such cases the decisions may be based on unspoken and at times unconscious assumptions about the organization, its environment and the future. Such implicit assumptions dictate the direction of the seemingly desperate and unrelated decisions, there by shaping the change process by drift rather than by design.

Various models have been suggested by a number of scholars. Lewin (1951), suggests that there are three steps for planned change. The initial stage is unfreezing or dismantling the original way of operation and creating a new one. The second stage involves changing people's behaviour to conform with the desired objectives of the organization. The last stage is refreezing or consolidating the changed behaviour and adopting it into the organization. Bullock and Batten (1985), however talks of four stages namely exploration, planning, management of change process through feedback and integration of the new change behaviour into an organization. According to Kotter (1996), change management process is explained by eight-step model spanning from expression of need for change, mapping the right people also known known as change agents to the right roles, formulation of the right strategy and vision for the organization, communication of the vision to the stakeholders, employee empowerment, creation of short-term timelines, consolidation of gains made as a result of change and making more changes to finally anchoring the new culture development approaches and induction of new employees to change management process. Gwengi (2010), however suggests that the eight-step model of change management by Kotter (1996) was only applicable in the context of his study.

Change within different organizations is an incremental process according to Logical Incrementalism model and must be management in an incremental manner (Quinn, 1980). The model states that negotiations, incentives and analytical techniques are important in a change management model. Whittington (2002), on his part argues that for incremental change management, organizational behaviour and managerial techniques and organizational behaviour are very important. This model holds that change management should be carried in a steady progression alongside the logic that ties various aspects of change together, this is because it is not easy to predict future events accurately as a result of several forces in play (Kippenberger, 1998). In learning organization model, organizations should perpetuate

strategic change through continuous learning encompassing team learning, commitment, experimenting and continuous communication (Senge, 1990). The model further states that personal mastery, systems thinking, mental models, team learning and shared visions are necessary when introducing new change management techniques in an organization.

1.1.3 Kenya's Health Sector

Health Sector in Kenya received a major boost following the promulgation of the constitution on 27th August, 2010 with an intent of improving the health standards. The health sector has undergone tremendous growth based on the fact that the constitution in respect to economic and social rights explicitly states that every citizen has right to life, right to the highest attainable standard of health including reproductive health and emergency treatment, right to be free from hunger and to have adequate food, clean, safe and adequate water and reasonable standards of sanitation and the right to a clean healthy environment (Constitution of Kenya, 2010).

In Kenya, the Healthcare Industry consists of the public sector and the private sector. The main actors in the public sector include the Ministry of Health and other health associated parastatals. The private sector includes for-profit private as well as non-profit organizations. There is a network of more than 4,700 health facilities in Kenya that provides health services, out of this network, approximately 51 percent is public sector. The public health system consists of the following levels of health facilities: national referral hospitals, provincial general hospitals, district hospitals, health centres, and dispensaries (MOH, 2014).

In 2013, both the primary and secondary public health services were devolved from the national government under the Ministry of Health to the county governments. Following this, the MOH has embarked on provision of technical guidance and only necessary support to the

counties. The ministry also acts as a regulator to health sector and the counties for the provision of the health services. The MOH is directed by the Kenya Health Sector Strategic Plan (KHSSP) 2013-2017 which is usually prepared after every four years. After the August 2017 national election, Kenya was handed a fresh 5-year period giving an opportunity for Public Private Partnerships in the health sector informed by the acknowledgement by the public sector that the health system is so broad that it cannot flourish or be improved without partnership with both the private sector and Faith Based Organizations (FBO) (Kenya Health Sector Strategic Plan, 2012).

In addition, the MOH is planning to introduce in the coming years a National Social Health Insurance Fund (NSHIF). This is a social health insurance scheme to which everyone would contribute without ex-emption. For administrative purposes, contributions should be per head and not per family, although current entitlements in the National Hospital Insurance Fund also include family members of the insured. For those too poor to pay, the government would pay for them. In its tenth year of phased implementation, the scheme would be targeted to give comprehensive health care to 80 percent of the population. The sources of funding would include payroll harmonisation, general taxation, informed sector contributions, donations and grants (Ministry of Health, 2004).

1.1.4 Homa Bay County Teaching and Referral Hospital

Homa Bay County Teaching and Referral Hospital was established in the year 1969 under the assistance of the British government. Until 2013, the hospital had been operating under the national government of Kenya (GOK) and it was referred as Homa Bay District hospital. After the promulgation of the constitution in 2010 and establishment of county governments in Kenya in 2013, Homa Bay District Hospital was elevated in status, both in terms of medical services being provided and infrastructural improvements and changed to Homa Bay

County Teaching and Referral Hospital (HBCTRH) under the county government of Homa bay. The hospital occupies land space of 15 Acres of land. The facility has a total bed capacity of three hundred which in most cases is inadequate thereby leading to overcrowding. This situation is sometimes made worse by emergencies such as road accidents which is more rampant in the month of December and increased demand for health services. Consequently, the facility needs to be expanded to able to cope with this increased demand (Ogweno, 2017).

For a long time, HBCTRH has experienced several challenges including but not limited to; major resource constraints amidst increasing demands for its services due to increasing population and maladies, manual medical records, non-automated procurement and financial systems, understaffing, lack of an intensive care unit, modern theatre and digital X-ray machines. In addition, the facility has also had a medical superintendent at the top management instead of a chief executive officer thereby limiting its capacity to make drastic and strategic decisions within a reasonable time. These problems presented challenges to the hospital management in seeking the best ways of sustaining quality health services and ensuring steady revenue growth. In order to contain these ever-increasing challenges and meet its mandates in the most efficient way, the hospital must therefore adopt necessary strategic changes (Ogweno, 2017).

Homa-Bay County Teaching and Referral Hospital has implemented a number of changes such as; change in its top management, automation of revenue collection and elimination of cash transactions through introduction of M-PESA services, recruitment of additional qualified Health Workers to ensure all functional departments have adequate human resources in conformity with best standards and practices; and development of infrastructure and acquisition of modern equipment to ensure it attains the standard of a Referral facility.

This study will therefore seek to understand the impacts of the changes instituted (Homa Bay County Teaching and Referral Hospital, 2017).

1.2 Research Problem

According to Carnall, (2003) there is no one single way or approach for managing change. Burnes (2009), Kotter (1996), argue that change programs should be planned with clear processes, objectives and strategies in mind, and that for change issues to be addressed in a logical manner, use of models and frameworks are instrumental in helping the managers charged with the responsibilities of managing change (Hill & Jones, 1992). Nadler & Tushman, (1999), further states that every change situation need to be identified and evaluated in respect to its characteristics and the kind of change if its implications are to be clearly understood. However, due to uniqueness of various organizations and the contending change issues, every organization is confronted with unique problems and therefore what works for one organization in a given environment in managing change may not necessarily work for another (Slack & Munz, 2016).

Homa-Bay County Teaching and Referral Hospital has embarked on a number of strategic changes in the recent past which has affected the hospital performance in one way or the other. For instance, in 2016 there was change in top management from medical superintendent to Chief Executive Officer, this brought a lot of reactions from some employees who were resistant to the changes. Also accompanying these changes was lack of coordination of services among some key departments. These changes however, brought with them some positive impacts such increase in revenue due to automation of revenue collection through MPESA services. Despite all these, the hospital has had a continued public outcry regarding poor service provision not only to patients but also to the workers. Consequently, the image of this hospital in the face of the public has been a despicable one.

Most previous efforts of effecting successful change and redeeming the public image of the Hospital registered very little success.

Research undertaken internationally by Burnes (2004) indicated that failures related to workers and managements are the main impediments to the application of practices to manage strategic change in the banking industry in Australia. Further, a study by Mchugh, (1996) focusing on managing strategic change in public sector organizations in Sweden concluded that initiating continuous improvement programs help alleviate employee's stress levels associated with strategic change.

Studies have been made on issues regarding the management of strategic change in various environments. Munjua, (2010), studied change management practices in the NGO context and concluded that change must be identified as absolutely fundamental for the change process to be a success. Kibwana (2012) researched on strategic change management practices at local governments formerly known as local authorities in the Kenyan Coastal Province while Mwirigi (2012) considered how commercial banks in Kenya have managed strategic change. A lot has also been studied on the Hospital sector in Kenya. Okoth (2013) for instance studied strategic change management challenges encountered by KNH and found out that low change adoption due to resistance, poor communication and inadequate training was a major challenge. Nyamwange (2012) highlighted factors affecting customer satisfaction in public hospitals in Kisumu municipality. Mutuku (2012) studied public accountability, corporate governance and challenges faced by private health institutions within Kiambu County in Kenya. Kalume (2012) studied corporate governance practices of private hospitals in Coast province.

From the above studies, it is evident that not much regarding management of strategic change in the health sector especially after the health system was devolved to County government in

Kenya in 2013 has been done. In the context of HBCTRH, no research has been published on strategic change management in public health sector brought about by elevation in status in view of devolved system, hence the research gap. How is HBCTRH managing strategic change?

1.3 Research objectives

The objectives of the study will be:

- i. To establish strategic change management practices adopted by Homa Bay County Teaching and Referral Hospital, Kenya.
- ii. To ascertain the challenges facing Homa Bay County Teaching and Referral Hospital in managing strategic change, Kenya.
- iii. To determine measures that are undertaken to manage challenges faced by Homa Bay County Teaching and Referral Hospital, Kenya.

1.4 Value of the study

Theoretically, this study adds to the available knowledge on strategic change management especially in public health sector. It seeks to more specifically help the public hospitals identify their areas of weakness as far as change management is concerned thereby helping them to develop best strategies for change management. This will then lead to improved performance, efficiency and productivity.

The study will be very instrumental in providing the government and its related agencies with useful insight that will guide policy formulation in the management of strategic change in the public health sector in Kenya. In terms of industry, findings of the study will aid in making sound policies in strategic change. This will subsequently improve service delivery in both public and private hospitals in Kenya aligning them to Kenya's Vision 2030 and sustainable development goals.

The study is of practical relevance to managers in public health sector. The practitioners who are the managers and the very health providers may use the report of this study in formulating pragmatic policies that will enhance service delivery, significantly reducing mortality rate in the society. It also provides players with useful insights of how best to effectively and strategically manage change and making more informed and interactive decisions that affect change for the improvement of service delivery in the Kenyan health sector.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical foundation and reviews empirical literature on management of strategic change. In particular, it will cover specific areas such as change management practices, challenges and measures of managing change.

2.2 Theoretical Foundation

The study of strategic change management is founded on various theories however for the purposes of this study, two major theories namely Open Systems theory and Organization Development theory will be considered. According to Freeman & Mvea (2001), the Open systems theory views the interaction of the organization with the external environment as source of uncertainty facing the organization. However, due to the inability of the organizations to adequately handle the environmental factors that cause changes within the organizations (Murphy, 1996), organization development theory is considered as a complementary. This theory focuses on knowledge expansion and enhancement of people's effectiveness to accomplish more successful organizational performance and change.

2.2.1 Open Systems Theory

Scott (2003), states that organizations consist of several intertwined subsystems that work in sync with other parts of the organization such that a change in one part of the system will inevitably affect the overall performance of an organization. The dynamism within the external environment of an organization therefore highly influences the activities within it in a symbiotic manner (Bastedo, 2004). Graetz & Smitt (2009) and Al-Haddad & Kotnour (2015) pointed out that the theory looks at an organization as an open system that continuously interacts with its external environment and that it consists of several subsets internally that consistently interact with each other.

In order for the organizations to achieve competitive advantage and survive to the future, they need to continuously learn from the external environment as aided by their ability to adapt and adopt to the changes in their environment which is significantly influenced by these interactions and interrelationship. According to this theory, organizations face a lot of uncertainty due to technological and environmental changes which need to be overcome for survival purposes. This can be realized through evolution and adaptation processes by the organization (Thompson, 1967). The theory also underscores the fact that to achieve functioning unified system that will swiftly adapt to the occurrences in its surrounding environment and translate its output to the environment, integration and coordination within an organization is very vital (Kassner, 1989).

2.2.2 Organization Development Theory

Organization Development Theory is planned effort that covers the whole organization and is managed by top-down approach to increase organizational effectiveness through planned interventions in the organization's procedures and processes using behavioural science knowledge (Schein, 2006). Bennis (1966), views Organization Development as a response to change or as a training strategy that is aimed at altering the values, beliefs, attitudes and organizational structure for the purposes of adapting to new innovations and technologies, enhancing competencies and dealing with challenges impeding management of strategic change.

In order to remain competitive, Argyis (1970), states that it is also important to develop organizational internal capacity, invest in research and development and use of strategic information to help in formulating working strategies. Bradford & Burke (2005), agree with other scholars that the human factors and information inherent in the organization such as employee relationship are of great influence on Development of an organization. According to Rothwell, Stavros, & Sullivan (2010), this theory is essential in ensuring that organizations

comes up with a system that continuously evaluates its processes and interlinks the entire organizational system. It also enables individual employees to own the process of change thereby avoiding segmentation of the change process (Sullivan, Rothwell, & Balasi, 2013).

2.3 Strategic Change Management Practices

Nauheimer (2005), defines change management practices as tools, processes and techniques of managing people within an organization in line with change to achieve the desired outcomes. There are a several aspects explaining how change takes place; space and time being the main ones. Many organizations studies discourse has expressed the subjective nature of change among different people and the way in which thoughts, both spatial and sequential, arise due to experience – the most currently example being that given by Cairns et al. (2003) suggesting that time and space can well be explained as an arrangement of expressive and symbolic markers, that arouses feelings, memories and thoughts among the players who experience them.

In order to reduce, eradicate or weaken the prevailing change hindering forces, organizations need to develop a list of plans of actions to be undertaken (Al-Khouri, 2010). Such actions may entail improving communication so that everyone within the organization is conscious of the necessity to change, nature and magnitude of the changes being implemented. Employees Empowerment and involvement in the change process enable them feel part and parcel of the process thereby giving them ownership, dispelling fear for change and helping overcome any potential change resistance (Burnes, 2000). Planning for change may be considered as the starting point and an integral part of the overall change management strategy. If an organization's management is not trusted, any attempt to change will be treated with scepticism. Companies should recognize that the causes of disaster and success enhancers or enablers, can be readily discovered and addressed by harnessing the existing employees' knowledge.

According to Daft (2001), poor or lack of communication of the vision of the organization to its stakeholders may result in failure to create a common understanding and the urgency of or reason for change among them thereby leading to resistance to change. Leppitt (2006) agrees with this assertion in his case study dealing with unsuccessful organizational change in which the management did not properly communicate a strategy and vision for change leading to lack of conviction and commitment to change and consequently to lack of incentive to change. Recently Carr (2006), suggested that the contemporary age is characterized by a speedy obsession where there is a time-space compression and critical reflection replaces cultural texts and realities through the way they are conveyed and this may lead to a state of psychological stimulus trap.

In order to successfully transform an organization to what is envisaged in the action plan for change, generally accepted management practices require a commitment from the management side (Cabrey and Haughey, 2014). Management of change resistance is of utmost essence because for every proposed change there has to be an element of resistance from the stakeholders. The change ambassadors and managers must therefore address or counter any form of resistance from the employees and any other stakeholder in order to avoid disruption of operations. Management of resistance to change can be done effectively by building a launching pad for change, properly understanding the nature of change and putting the right infrastructure, creation of a supportive workforce or climate, designing behavioural features into the plan for change and employing behavioural change management technique to manage the process (Ansoff and McDonnell, 1990).

Musau (2012) also considers effective communication as a practice of change management that organizations must employ. Communication may include staff meetings and councils, use of e-mails and e-notes to keep employees informed of their roles and notifications of any changes that may have taken place or occurring in the company. Further, training prepares

the management for strategic change management through acquisition of necessary competencies, it enhances individual and group motivation, improves peer communication and enables an organization to have clear direction due to elimination of any potential confusion (Okoth, 2013). Strategic change management approach is dynamic and as such keeps on changing with time (Mbwaya (2012).

2.4 Challenges of Managing Strategic Change

Researchers have found various challenges faced when managing change in different organizations. Rezvani, Dehkoradi, & Shamsollahi (2012), stated that change management faces challenges like technology, political instability, cultural differences, cut-throat competition, environment changes, labour availability and composition, organizational structure and employees' behaviours. Organization's strategy is also strongly affected by culture, decision-making process, change in technology. Product development requires consideration if strategic change management is to be complete however it is very costly to organizations hence becomes a barrier to change.

Obonyo & Kerongo (2015), found out three challenges to managing change in an organization as, organization leadership, culture, and structure. Organizational culture is defined by the nature of variables such as values, norms, and artefacts due to the fact that they have a direct impact on the behaviour of individuals involved. The type of culture observed in an organization is dependent on the type of managerial style adopted as well as the processes within the organization. They further pointed out that the approach that the stakeholders take when faced with challenges is mainly indicated by culture.

According to Burnes (2004) and Carnal (2007) resistance to change is a major challenge in change management. It introduces delays, additional costs and instabilities in the change process. It may take the form of procrastination, unforeseen implementation delays, sabotage leading to inefficiencies in the whole process. According to Kotter (1996), people resist

change due to several reasons, narrow-minded egocentrism being one such reasons. The stakeholders are interested particularly with the impact the change is likely to cause.

Lack of capacity and resources is also a challenge when managing change in organizations. Lack of resources can also be a challenge when managing change, since without resources the implementation of strategy itself is almost impossible (Johnson & Scholes 2002). Organizations have to enhance their ability to manage change through identification and development of their capabilities to manage change and improve operational efficiency so as to sustain the long-term performances (Meyer & Stensaker, 2006). They then argue that organizational changes should not affect the productive aspects of the firm.

Carbon (2007) also suggests four key challenges that affect change management practice implementation in companies. The problems include demand for changes by the management team, poor commitment, inadequate resources to effect changes, lack of common vision and ineffective channels of communication. Kamemba (2014), found out in his study that poor or lack of understanding of change and desire to hold on to status quo by the employees lead to behavioural resistance to change. Kalyani & Sahoo 2011, opines that for change initiative to succeed, there is a need for adequate and well-developed human resource.

2.5 Measures to Deal with Challenges of Managing Strategic Change

To be able to handle change amicably, most organizations find it very hard in moulding and balancing a number of areas to meet these changes, these areas include procedural and operational areas in broader perspective. Due to different cultural and geographical settings within which organizations operate, for any business to thrive, it has to be redesigned and redefined to adapt to those specific areas. Organizational changes affect the way different activities are carried hence there is a need for retraining of the workforce so as to acquire the necessary knowledge and skills to handle the new dispensation and work flow process, to enhance customer relations and global collaborations. Organizational culture also needs to be

reconsidered in order to adequately support any introduced procedures and processes as a result of change. Change process also affects things such as employee reward system, organizational structure, appraisal mechanisms and roles of all stakeholders, as such all these need to be redefined (Bainbridge, 1996). Management and leadership styles, customer and suppliers' relations as well relationship with all stakeholders are of great essence should any organization desire to survive and so must be rethought, refined and aligned to the change process. As technology advances, the organization's workforce also needs to be prepared to be able to handle the infrastructure that accompanies new innovations.

Communication is a life blood of all businesses and this holds even during massive organizational changes. An effective communication is therefore an indispensable component of organizational change process that must be developed (Kotter, 1996; Mainelli, 1996). It is always considered as a major determinant of employees' attitude towards change. In this regard, Armenakis, Harris and Mossholder (1993) opines that effective communication of the impending change can prepare the stakeholders and all those affected by the change in readiness for the same. Chawla and Kelloway (2004), in his study indicated that openness to change can be influenced by effective communication either directly and indirectly.

According to Kirkpatrick (1985), to keep all players within the organization informed, there should be very proper coordination between activities and teams, sound accountability, clear reporting lines, effective communication and alignment of the strategy with the operation of the organizations, resource allocation, workforce and systems of the organization. Muema, (2013), considers negotiations, effective communication, full participation and involvement of all stakeholders as major ways of managing resistance to change.

Organizations must put in place enough resources in order to adequately implement and sustain strategic change process (Warnier & Weppe, 2013). Distribution of these resources

must be prioritized according to the needs of each stage of the change process in order to effectively utilize the scarce resources to ensure that strategic change is largely successful and has the maximum effect (Jacobs, van Witteloostuijn, & Christe-Zeyse, 2013). To safeguard against misallocation, misapplication or misappropriation of these resources, their strict and sound management is vital. Nyasha, (2011) indicated that for sustainability of change initiative, resource adequacy and appropriateness is a fundamental consideration.

2.6 Summary of Literature Review and Knowledge Gaps

Numerous scholars have studied on different concepts of management of strategic change. Obonyo & Kerongo (2015), studied factors affecting strategic change management and the performance of commercial banks in Kenya. Okoth (2013) researched on challenges of management of strategic change at KNH. Mbogo (2008) studied strategic change management process at KCB while Muema (2013) strategic management practices and challenges experienced in managing strategic change. This study however focuses on the strategic changes adopted by a public hospital in the context of devolution, challenges met by this facility in implementing the strategies and the actions taken to curb these challenges, factors that had not been considered in the earlier studies.

Prior empirical study on management of strategic change include Okoth (2013) was undertaken in contexts that the process of strategic change is highly driven by globalization and advancement in communication and information technologies. The Ministry of Medical Services begun the process of computerizing high-volume hospitals such as KNH. This study however looks at the management of change based on elevation of a public hospital from level 4 to level 5 as a result of devolution. It is also affected by the policies formulated by the ministry of health and sanitation. The forces of change in this context is therefore different from those explored by earlier empirical studies.

In different context, in his studies Musau (2012), investigated change management at the Safaricom Limited. He concluded that organization change can be driven by behaviour, demands and expectation of external stakeholders, including customer, competitor, demands and financiers. Mbogo (2008) studied strategic change management process at Kenya Commercial Bank, He concluded that the main factors that adversely affected the change process were non-supportive organizational cultures. Okoth (2013), studied the strategic change management challenges at The Kenyatta National Hospital in Kenya. The study found that, challenges of strategic change management at KNH has systemic and behavioural resistance, poor communication of strategies, poor training on the new system, and inconsistent support from the senior management. Change management has been extensively studied especially in Kenya and the main focus has been on the process of change management.

These studies were carried out in different contexts necessitating a study in the context of HBCTRH for contrasting with other contexts since every organization is faced with unique outcomes of change management. Since devolution in the year 2013, no published studies have been done on strategic change management, challenges facing strategic change management or changes within HBCTRH that require implementation of change management strategies. This study therefore seeks to bridge this knowledge gap.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains in details the methodology of the study. It identifies and gives justification for the research design and the data collection methods that were employed by the researcher. It further elaborates on how the data was analyzed.

3.2 Research Design

The study adopted a case study approach to determine the state of management of strategic change management at Homa Bay County Teaching and Referral Hospital. Mugenda & Mugenda (2003), explains that a case study is suitable where an in-depth understanding of a business unit within the context of real economic life of an entity is sought. This approach addresses the 'how' and the 'whys' of a problem (Schell, 1992) and is therefore able to exhaustively explore a single case without leaving much to be desired.

A case study has a way of giving detailed revelation and extensive description of the subject under investigation and combines data collection from several sources such as archival records, interviews, questionnaires and observation. This approach was appropriated as the researcher was able to choose the respondents who are easily accessible to obtain the desired information. The researcher chose to use this design because of its ability to assess many issues and areas of concern in a relatively shorter and efficient way with a likelihood of high response rate that facilitated formulation of sound recommendations and conclusions of the study. Ahmed (2015), Kamugisha (2013) and Kamemba (2014) are few examples of those who have used case studies in their research work successfully.

3.3 Data Collection

Data collection was from both primary and secondary sources. Primary data, majorly qualitative in nature, was collected through interviews. This method was appropriate since it

aimed at discovering the underlying motives and desires using in depth information (Kothari, 2004). The interviewees were the Chief Executive Officer, Hospital Administrator, Deputy Administrator and the Matron. An interview guide was employed as data collection tool while the interviewer took notes of the responses since the interviewees did not permit recording. The interview guide enabled comprehensive coverage of the areas of interest.

Secondary data sources were also used to complement the primary sources, these was from both qualitative and quantitative where applicable. Secondary data were collected from management reports and minutes, annual work plan, strategic change management committee reports and any other relevant official correspondences and testimonials. These was very critical while exploring the approaches and methodology adopted in the management of strategic change by facility and the corresponding challenges during implementation of these changes.

3.4 Data Analysis

Once the data was obtained, content analysis was used to analyze it. According to Bryman (2012), content analysis uses texts and documents by trying to quantify the content in terms of preplanned clusters and in a replicable and systematic way or pattern. The data that was considered for analysis include information from interview responses, strategic change management committee minutes, management minutes and reports as well as official letters. Content analysis was preferred since it is less invasive and ensures that the data collected is comprehensively analyzed in accordance with the major objectives of the of the study.

In order to determine strategic change management practices adopted by Homa-Bay County Teaching and Referral Hospital, the data collected through interviews was recorded and analyzed through content analysis. The challenges faced by the facility and the measures undertaken to curb these challenges was obtained from secondary data such as management

reports, change management committee reports and interviews. These were then analyzed through content analysis to determine its usefulness to the research and hence the findings.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, findings and discussion in line with the research question. The study objective was to establish strategic change management practices adopted at HBCTRH and determine the challenges of implementation of changes and the measures undertaken to manage the challenges. It adopted a case study design in which the Homa Bay County Teaching and Referral Hospital strategic change management process was examined in depth using an interview guide and documented information. The four interviewees targeted in this study were those responsible for the management of strategic change in the facility who are generally the top-level managers.

The primary data was obtained from the senior management who are charged with the formulation and implementation of the strategic change. They included Chief Executive Officer, Hospital Administrator, Deputy Hospital Administrator and the Hospital Matron. Secondary data was however gotten from minutes, management reports, annual reports, strategic change management committee reports and other relevant official letters and testimonials. The obtained data was thereafter analysed using content analysis based on the objectives of the study. Content analysis made it easy to draw the differences and similarities in the types of responses obtained from various interviewees and to understand the logical meaning from the data as per the different themes of the study.

4.2 Strategic Change at Homa Bay County Teaching and Referral Hospital

The study aimed at investigating the changes that were being undertaken at HBCTRH. From the data collected and analysed, it is evident that the facility is experiencing strategic change. In an effort to ascertain some of the strategic changes that have been undertaken by the organization in the past, documents such as the annual reports, management reports, strategic change management committee reports, official letters and interviews carried out within the

facility provided evidence on the existence of strategic change in the organization. The interviewees concurred that HBCTRH had instituted a number of strategic changes to enhance service delivery and efficiency in operations.

In the last two years Homa Bay County Teaching and Referral Hospital has concentrated in implementing programs and activities aimed at primarily improving the general healthcare, service delivery and also to attain the minimum threshold of level five hospital. During this period, the facility in its annual work plan for the year 2016/17 (Appendix iv), indicated that it was expanding its physical infrastructure in terms of construction of intensive care unit, ultra-modern theatre, Oxygen Plant, Magnetic Resonance Imaging within Radiology department, Blood Bank and staff offices. In addition, the facility has made significant progress in establishing a good working relationship with its donors and other partners. Despite all these, the hospital has had a continued public outcry regarding poor service provision not only to patients but also to the workers nevertheless the management remained focused on management of strategic changes to improve livelihood for the surrounding community.

The data obtained from HBCTRH Management minutes or reports of 2018(Appendix Viii) revealed that the facility carried out a performance enhancement programme putting the hospital in the right trajectory to attain its intended objective. Management had initiated a number of activities such as Renovation of the two labs, Management taking control in managing hospital's affairs without overreliance on the county government, Laboratory ISO certification, Availing of Television network, increasing promotion of hospital brands (Logo and website), Enhancing awareness on patient rights, Equipping patients and staff with uniform, engaging community health workers, Activation of regular Hospital Management Team meeting.

The interviewees concurred with assertion that the change forces in the facility were both external and internal. The external forces are associated with the pressure of the population to receive and demand for health services commensurate to a level five hospital and beyond given this is the only referral facility in the county. The internal forces were driven by the desire of the management and staff to create long lasting changes that would steer the facility from the eminent collapse into a new sphere of service provision that meets the demands of the modern times. It was also noted that change management was implemented by top level management staff and change champions who basically owns the change process.

Devolution of the health sector and elevation of the facility from level 4 to 5 has also played a very pivotal role in catalysing the initiation and implementation of strategic change at HBCTRH. This was compounded by the increased public awareness and agility towards the role of government in the provision of public health services. This change of status and public awareness has led to influx of patients to the facility from all over the county, this in essence required the hospital to come up with strategies of meeting the high demands through provision of quality health services.

4.3 Strategic Change Management Practices at HBCTRH

In consideration of the question of the strategic change management practices adopted by Homa Bay County Teaching and Referral Hospital administration to manage strategic changes that has been enacted in the facility in the last 2 years, the interviewees had similar responses of implementing pillars of Health System Management. The hospital required a quick turnaround strategy that would see it competitively meet both her current and future requirements.

Data obtained from hospital management team minutes or reports of 2017(Appendix Vii) showed that strategic change management practices were initiated in line with the pillars of health system management which encompasses the facility, the people and the actions

directed towards encouraging, restoring or maintaining quality healthcare. This was examined in its totality by using various pillars in order to strengthen the health system management in ensuring successful change implementation. The Hospital CEO observed:

“We implemented the eight pillars of health system management that include health service delivery, health workforce, health information system, essential medical products, vaccines and technologies, health financing system, leadership and governance, Infrastructure and research and innovation. Adopting all these pillars made it easy for the management to manage strategic changes within the facility,” (Hospital, CEO).

According to the hospital matron, implementation of health service delivery was good in delivering effective, safe, quality personal and non-personal health interventions to those who needed them at the right time and place with minimum waste of resources. Through this we developed referral systems, integration of disease control activities and also established our service standards to that of level 5 hospital. The Hospital matron observed:

“We achieved this through improving patient reception and triage services, improving consultation services and diagnostic services and improving nursing/nutrition services. This has enabled us to reduce the turnaround time and deliver quality and timely services to our patients,” (Hospital, Matron).

The interviewees also said that with a well-performing and responsive health workforce supported by adequate resources and conducive environment, the facility is able to be efficient and effective in delivering the best possible health outcomes thereby leveraging on the adopted change management strategies. Given that there are sufficient numbers and mix of staff who are fairly distributed and highly competent, responsive and productive, it is possible to have seamless change management process. The Hospital Administrator observed:

“We ensure capacity building of our staff, quality assurance in training, ensuring a motivated workforce and also improving staff discipline and focus, this has a great contribution towards the achievement of our overall objectives,” (Hospital, Administrator).

He also noted that even though there may be challenges of delayed salary payments by county government, they ensure employees are comfortable and their welfare is well taken care of.

The interviewees further mentioned that, in order to improve the health of the target population, it was important for them to build an integrated health information system in the facility. This will enhance evidence-based decision-making process through coordinated interlinkage of different data sources to facilitate production, analysis and dissemination of timely and reliable information on health determinants, health systems performance and health status. The Hospital Matron observed:

“We have ensured improvement in patient registration, clerkship procedures and ensuring accurate patient data capture for complete and reliable patient statistics that assists in planning and diagnostic purposes,” (Hospital, Matron).

The study found out that the facility is aiming at delivering equitable access to cost-effective essential medical services, products, vaccines and technologies that will guarantee quality, safety, efficacy and scientifically sound solutions to health problems. To achieve reliable supply of essential drugs and pharmaceuticals, the facility has partnered with other reliable suppliers rather than relying on Kenya Medical Supplies Authority (KEMSA) alone which are unpredictable due to the debts the county owes them. The Hospital Deputy administrator observed:

“We introduced a store in concept where a supplier for pharmaceuticals has a store within the hospital stocked with drugs and at no time will there be shortage. We get drugs, vaccines and non-pharms on time, reliably in sufficient quantity and at reasonable cost,” (Hospital, Deputy Administrator).

As per the findings of this study, health financing system played a critical role in enhancing proper financial management system through accurate departmental book keeping, enhanced interdepartmental coordination and accuracy in billing of patients, effective stock

management, promoting health insurance covers like NHIF and promotion of cashless transactions to avert any cash pilferage. These functionalities promote effective service delivery at lower cost thereby enabling the poor majority to access quality healthcare services.

The interviewees concurred that good leadership and governance compounded with effective oversight is essential for existence of strategic policy frameworks under a regulated environment. The hospital has developed an organogram with clear and distinctive job descriptions and roles to eliminate any duplication or obscurity in reporting lines. This ensures effective service delivery. It also conducts regular incentive-based staff appraisal that ensure staff perform to their best. In addition, the management puts more emphasis on leadership training to departmental heads to enable them handle individuals with diverse orientation and enhance their communication skills hence dissemination of accurate and timely information for decision making purposes. This is very fundamental for change management according to the hospital management and leadership.

The research noted that at HBCTRH strategic change initiatives were communicated to employees through various channels by the top management. These channels were majorly emails, circulars, letters, memos, meetings and notices. Some of these change initiatives were communicated to the departmental heads who were then tasked with the responsibility of disseminating the information to members of their departments. One such communication was an official letter circulated to all departments terminating cash transactions with the introduction of M-Pesa based cashless transaction. This initiative was meant to reduce loss of cash and to make service delivery seamless by reducing queues and congestions at the cashiers (Appendix Vi).

The interviewees indicated that with improved infrastructure efficiency in the hospital operations is enhanced. In this regard, the hospital embarked on modification of its existing structures to ensure ease of accessibility for both abled and disabled, proper ventilation, lighting and good planning of hospital infrastructure to ensure improved hospital safety. It has also installed modern incinerator with adequate capacity to handle waste management and sanitation of the whole facility, to reduce health related hazards. The management noted that there is fluctuating and unstable supply of both water and electricity that over the time past impeded effective service delivery. In order to remedy this the hospital has installed solar panels to act as alternative source of energy as well as standby generator while they are in the process of constructing water reservoirs for harvesting rain water and installation of water recycler in order to reduce the utility cost and ensure reliable supply.

The deputy hospital administrator said that another strategic change management practice that enabled the facility to handle strategic change effectively is through conducting research and innovation. The hospital carries out research in collaboration with Kenya Medical Research Institute (KEMRI) in the facility in order to establish the hospital's capacity to handle opportunistic and other diseases that are rampant within this region. The hospital through its management and research department then develops an innovative way to curb the maladies. The Hospital Matron observed:

“We conduct research on operations done in our theatres to check on post operation infections and best ways possible to reduce them as well as researching on that come about as a result of environmental and cultural factors,” (Hospital, Matron).

The interviewees also mentioned the use of consultants to bring in a new dimension or thought where necessary to enable the organization achieve its strategic goals when it comes to change management. The CEO had this to say;

“A consultant has been invited to sensitize staff members on the need for urgent change of negative trends that has been the epitome of poor service delivery experienced in the time past. They also need to be informed change is also good for them individually and therefore inevitable, as such they need to realign themselves to the industry practices, strengthen health systems management and to create an awareness that our facility can provide services to ISO standards.” (Hospital, CEO).

The findings indicate that strategic change was both planned and emergent. However, planned change was more pervasive in the facility. This was evident by the existence of strategic change management committee reports (Appendix V) entailing predetermined steps to analyze and implement change. Emergent change approach however takes the view of forces outside the organization as crucial and managers should therefore take keen interest of the environmental changes around them in order to manage change satisfactorily.

4.4 Challenges in Managing Strategic Change at HBCTRH

The interviewees attested to having experienced challenges in management of strategic change. The research study sought to investigate the challenges that HBCTRH encountered in managing strategic change. They cited, poor employee mentality, lack of strategic plan, over-reliance on development partners, lack of commitment on the part of county government to support the health function, failure to integrate administrative processes and strategic change management processes, insecurity, resistance to change by the employees and limited resources evident in the strategic change management committee reports.

First, this study established that there was a deeply entrenched negative mentality among the staff concerning new ways of doing things. This led to resistance to change both individually and corporately by the employees. Some employees resisted change on the account of uncertainty surrounding introduction of new technologies fearing that they may be rendered redundant, for instance, a respondent pointed out resistance by cashiers of the introduction of cashless transaction for fear of losing their jobs to technology. Some however felt that they were not involved in the change initiation stage and as such they were not valued in the first

place and would probably be beneficial to the top management only. Still some staff had no knowledge of how the new changes would benefit them individually and even as a facility. Moreover, the employees had a culture of how they conducted their tasks that they were not ready to relinquish for new ways that they had not interacted with earlier for fear of being victims, for example, the introduction of clocking in and out to deter absenteeism was resisted by the employees who saw this as an effort for witch-hunt (Appendix V).

Secondly, the hospital lacks a strategic plan which is the document that sets the road map to be followed in achieving the overall objectives of the facility. In the words of one of the respondents, “in the absence clear objectives set out in the strategic plan, the facility operates like a ship without a radar and this has been a major problem when it comes to prioritization of resource allocation.” In a number of instances, it was noted that payment of essential expenditure such as suppliers was delayed as a result poor priority in resource mapping, a case at hand is delayed payment to KEMSA, a thing that could be solved through strategic plan with clear roadmap. Lack of clear communication channels, stalled projects and lack of clear structures were attributed to lack of a working strategic plan (Appendix V).

Thirdly, the hospital over time has put a lot of reliance on partners and donors to finance both their capital projects and recurrent expenditure. One respondent indicated that this reliance is to the extent of abandoning an operation of a whole hospital ward or supply of laboratory reagents to a single partner. Most of the times the partners delay their funding as a result of poor coordination by the hospital’s management, this occasionally led to unrest among nurses whose salaries are wholly funded by the partners thereby jeopardizing the operations of the hospital. These delayed funding was also sighted as the reason for stalled projects and source of supplier apathy for fear that their debts may not be paid in time. There is also fear that should the partners withdraw their financial support then the operations of the hospital are at risk of coming to a complete halt (Appendix Vii).

The fourth challenge facing the hospital is scarcity of resources, the study established that the hospital was having very ambitious and expensive change initiatives which were very fundamental if the hospital was to achieve efficient and effective service delivery. Some of these projects, though required so much funds, were initiated using the limited funds that were available. These included establishment of blood bank, oxygen plant, MRI Centre and ultra-modern theatres. According to one respondent, the blood bank, oxygen plant and MRI Centre projects have installed and are likely to take longer time to complete than had been envisaged. This may eventually lead to cost overruns due to increase in cost of living as a result of inflation that affects the cost of materials used to complete these projects.

The fifth challenge facing the facility in the implementation of strategic change management is lack of commitment by county government to support health services. In terms of capital projects, the county government had undertaken to fund the establishment of modern maternity theatre, blood bank, oxygen plant and improvement of the existing mortuary as they plan to construct a modern mortuary. None of the above projects, despite having been commenced, has been done to completion and there is no likelihood of completing them within the stipulated timelines going by the pace of progress. The administrator asserts that had the county government been enthusiastic about the projects as they were during the launch, the hospital would have made tremendous progress. In addition, the county government was to support in meeting recurrent expenditures of employees' salaries however they have been so reluctant leading to strikes by the hospital staff due to delayed salaries. The unrests have derailed the progress of strategic change management policies and lead to demotivated workforce (Appendix V).

The sixth challenge encountered by the facility is lack of integration of administrative processes with the strategic change management process. The administrative processes include planning, organizing, staffing, directing, coordinating, reporting, budgeting and

evaluation of the performance of the organization. In order for the strategic change management process to be effective, there should be interlinkage between the administrative functions and the change process so as to ensure harmonious operation without disruption of the normal business operations. This has not been the case at the facility, the matron for instance pointed out that in staffing and budgeting, the administration did not consider the need for the specialized personnel who would be able to properly use the new technologies that come with strategic change and neither was sufficient budgetary allocation done for training in new strategies.

The last but not least challenge identified during the study is insecurity. With the elevation of the facility from level 4 to level 5 status, the activity within the hospital has increased prompting the need for operation around the clock, however the hospital is not properly secured due to porosity of the fence around the hospital. The hospital Administrator had this to say;

“The surrounding environment is poverty prone leading to high rate of crime. It is therefore challenging for the staff who are needed to work overnight to deliver quality health services for fear of being attacked. Apart from the threat on life, poor security around the facility leads to loss of drugs, pharm and non-pharm products as well as medical equipment,” (Hospital, Administrator).

4.5 Managing Challenges of Strategic Change at HBCTRH

Having explored the challenges faced by HBCTRH in the management of strategic change, the study sought to establish strategies that HBCTRH has put in place to manage such challenges. The informants interviewed noted that it was not an easy task to conclusively manage all the challenges pointing out that some are still work in progress.

In order to overcome the challenge of resistance to change by the employees brought about by the negative mentality towards change, the CEO says that they are working round the clock to change the mindset of the staff through strategies like changing staff engagement and commitment. This he says, is done through total member involvement campaign where every

one's contribution is invited and considered to entrench the sense of ownership in their minds. He also says that before introduction of any new concept, all stakeholders are briefed and where necessary trained so that they feel empowered to manage the strategic change process. An incentive as a form of reward has also be placed on those who readily embrace change to motivate all staff members to adopt the new ways of doing things (Appendix V).

The second effort the hospital says through the CEO to have put in place is formulation of a strategic plan that would clearly spell out the direction the facility is taking to ensure proper management of strategic change and achievement of the overall objective of the hospital. Currently the hospital is formulating a strategic plan that will run for five years starting the year 2019. In the words of the CEO,

“We want this strategic plan to be as comprehensive as possible and to encapsulate all the envisaged strategies for strategic change that will enable the facility to meet the rapidly increasing demand,” (Hospital, CEO).

One of the interviewees attested to the fact that it has not been easy for them to reduce their reliance on partners and donors due to unreliable alternative sources of funds such as county government who, most of the times, delay in funding the hospital. He however said that they have tried to enhance their revenue collection through introduction of cashless transactions, reinforce adherence to maintenance of proper books of accounts in order to reduce theft of cash. This will improve their own generated revenue which can then be used to finance their operations (Appendix Vi).

The fourth challenge faced by the hospital is scarcity of resources. To handle this challenge the administrator stated that they are in talks with the county government to increase the allocations to the hospital and ensure it is regular to enable them provide necessary infrastructure, personnel and essentials to support hospital function. He also said that they had done a number of proposals to various donor to consider helping them in the construction

of capital projects that had stalled, should they succeed then other funds would now be directed to recurrent expenditure. In order to optimize their resource use, the administrator underscores the importance of prioritizing their projects through adherence to budget and strategic plan. This, he says, will help them achieve much from the scarce resources they have (Appendix V).

The hospital also faced the fifth challenge of lack of commitment of county government in supporting the hospital. The hospital management has embarked on the concerted efforts to rally the county government to support the hospital agenda. The CEO noted that with the declaration of healthcare as one of the pillars that the national government is building on as espoused by the president, it would be easy to rally the county government to support the hospital. Also noted was the hospital's effort to involve the county and hospital leadership in policy formulation to ensure that there is integration between the administrative processes and the strategic change management process.

To avert the surge in insecurity, the hospital is in the process of erecting a perimeter wall around the hospital, this is expected to be complete by the end of the year 2019 according to the hospital administrator. In the meantime, the hospital administration has enlisted the services of local security firms who offer security 24hours a day, security officers have been increased from the previous eight to twelve. The staff apart from being expected to uphold good work ethics and code are also trained and sensitized on how to handle matters insecurity (Appendix V).

4.6 Discussion

This section examines how the study relates with existing theories as well as makes comparison of the findings with empirical research that have been carried out in the past in the field of management of strategic change. The aim of the comparison is to help identify how the study compares and contrasts with existing theories and empirical studies. This

research established that HBCTRH initiated changes and managed them in conformity with the objectives of the study. For an organization or an establishment to succeed, there must be proper management of strategic change hence those charged with this very important aspect must be creative enough in their thinking while at the same time avoiding mistakes that would negate their efforts. This assertion is in agreement with Kotter (2007), that in the dynamic business environment strategic change is very critical for organizations that desires to survive to a foreseeable future.

The research established that HBCTRH operated in an open system and continuously interacting with its external environment and the departments within the hospital. It was open to its external surroundings which informed the strategic changes that it undertook, this confirms the open systems theory that fortifies this study (Al-Haddad & Kotnour, 2015). The facility has also tried to train their workforce by continuously imparting necessary knowledge and skills so as to enable them handle current and future challenges that may come up amicably. It has also developed a system of continuous appraisal evaluating of its staff, systems and processes that enables adjustments where necessary, this is supported by the theory of organization development (OD) (Schein, 2006).

This study found out that HBCTRH used a planned approach to management of strategic change. Reports from management of strategic change committee formulated by the change champions in agreement with the top management adopted emerging issues at the implementation stage for ownership and empowerment of all stakeholders. In essence therefore, hybrid of planned and emergent approach to change was used to guarantee effective management of ever-changing hospital environment, this is supported by the literature from Otieno (2011), that views organizational change as a process of moving from one state to another, through a series of preplanned steps and that emergent change may at times unfold in an apparently spontaneous, accidental and impulsive manner. According to

Burnes (2009), planned approach is a system of preplanned steps that are sequential in nature. This has been confirmed by the finding of this study.

From the study it was evident that HBCTRH involved the employees in change processes as espoused by Ansoff and McDonnell (1990) by creation of a supportive workforce or climate, designing behavioural features into the plan for change and employing behavioural change management technique to manage the process. Nyasha (2011), on the other side states that success of change process depend on how the employees are involved during the implementation process. Musau (2012) also considers effective communication as a practice of change management that organizations must employ as they ensure involvement of employees and other stakeholders. The empirical studies above underscore the importance of effective communication and employee involvement as very critical steps in implementation of change, this exact agreement with the e findings of this study.

This study adopted a case study design and found that communication determines how people respond to change stimuli. These findings supported by those of a study by Obonyo & Kerongo (2015) who adopted descriptive research design and found out that culture is important in strategic change management process. This study also found out that collaborations with different stakeholders like donors, partners and county government is very crucial in management of strategic change something that is in concurrence with the findings of Abdow (2015) who adopted descriptive research design and found that partnerships and collaborations are an integral aspect of change management. Further, the study established that involvement, training and development of employees cannot be overlooked when introducing new changes. This differs with the findings by Nyasha (2011) who adopted a survey design in his study and established that employees were not prepared in advance in terms of skills and knowledge and that they were rarely involved in the implementation of change.

The findings established that HBCTRH created change committees who championed the change process and acted as trailblazers in the whole process. These are supported by the findings of a study undertaken by Gwengi (2010) that established that structured committees were vital in supervising the change process. The outcome of this study also showed that the management embraced team work in the implementation of change. These findings implicitly agree to the findings of the study done by Kamemba (2014) who confirmed that team work is essential in ensuring success of any change process. As much as the studies were undertaken in different environments and contexts, characterized by cut throat competition and dynamism, the findings of this study on management of strategic change are somehow similar.

This study recognized that there was continuous monitoring and evaluation of change process at the HBCTRH in order to identify challenges facing the change management process and come up with effective antidotes. This concurred with the findings by Johnson & Balogun (2015) that identification of challenges impeding the efforts towards change implementation is critical. They had established that several plans for change fail mostly during the implementation stage due to unforeseen occurrences. This explains some of the installed projects such as blood bank, oxygen plant and construction of an ICU unit. These were due to unforeseen financial constraints that came up as a result of poor planning and none commitment by the county government. The challenges identified during monitoring and evaluation were however managed by the hospital management as agued by Vora (2013) and Turner (1999) when they said that change management is significant in ensuring that an organization succeeds in the dynamic business environment.

The study also found that HBCTRH had taken steps to rally the top management to support the change process since the management are responsible for strategic decisions and their goodwill was a key factor in driving the change. The same thought is supported by Cabrey et

al. (2014) who advocates for bold, knowledgeable, skilled and competent leaders who will ensures that those changes are strategically aligned to the organization overall objectives. It was noted that involvement of everyone in change process would be enhanced when the top management also owns the process. This study is also corroborated by Otieno (2014) who confirms that top management involvement is important since they are responsible for Crafting of strategic plans, setting organization's vision, changing organizational culture, setting the mission and core values of an organization, which defines an organization.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, summary of the research findings as per the analysis of the research objectives, conclusions drawn from the summary of the research findings, recommendations for policy and practice are considered. The chapter also highlights the limitations of the study and suggestions for future research arising from those recommendations.

5.2 Summary of Findings

This study had three objectives: to establish strategic change management practices adopted by Homa Bay County teaching and Referral Hospital, determine challenges encountered in managing strategic change and measures undertaken to curb the said challenges at HBCTRH. With the changing governance structure and economic environment, the study revealed that HBCTRH was implementing some strategic changes in order to remain relevant and competitive. It gave a hybrid kind approach by considering both planned and emergent approaches.

The findings of the study showed that strategic change management practices were majorly initiated by the top-management of HBCTRH in line with the pillars of health system management. These pillars included health service delivery, health workforce, health information system, essential medical products, vaccines and technologies, health financing system, leadership and governance, Infrastructure and research and innovation. The focus of the management in considering these pillars was on the facility, the people and the actions directed towards encouraging, restoring or maintaining quality healthcare. The approach of the management was then cascaded downwards to the departmental heads, then to other lower level employees.

HBCTRH faced numerous challenges in managing strategic change having both internal and external origin. These challenges included poor employee mentality, lack of strategic plan, over-reliance on development partners, lack of commitment on the part of county government to support the health function, failure to integrate administrative processes and strategic change management processes, insecurity, resistance to change by the employees and limited resources. The management however adopted the following measures to arrest these challenges: improvement of employee engagement and commitments in order to change their mindset, formulation of strategic plan to give a clear road map, rallying the county government to support the hospital agenda, revitalization of financial management at the hospital to reduce overreliance on partners, lobbying for increased allocations from county governments and looking for donor funding for capital projects and erection of a perimeter wall around the facility as well as increasing the number of security personnel.

5.3 Conclusion

With the dynamism of the contemporary business environment, change within any organization is very expedient for its survival and growth. Business organizations, institutions and firms must undergo some strategic changes in order to cope with the changing environment and HBCTRH was no such exception. This study explored the practices adopted by HBCTRH in the management of strategic change, the challenges it faced during the implementation and how it coped and managed these challenges. Strategic change management was, to a large extent, successfully carried out at HBCTRH. The study revealed that it was managed in the most interactive and wholesome manner by making it an all-inclusive and organized process. The practices adopted in the strategic change management at the facility support the existing literature and theory largely with just a few aberrations from the existing literature. In regard to the management of strategic change, the commitment of the top-level management at HBCTRH in managing the strategic change was not in doubt.

This research established that HBCTRH used hybrid of both planned and emergent approaches in its endeavors to manage change. In its planned approach, the facility developed referral systems, integrated the disease control activities through integrated health management system within the facility and also established service standards to that of level 5 hospital. In its emergent approach, the facility considered policies and circulars used by the county government from time to time, improvement of customer service to meet their ever-changing needs and preferences, training of the workforce to cope with the technological advancement and mapping their competencies to the needs of the hospital and ensuring total employee involvement in the implementation of the change practices.

The study nevertheless noted that the hospital was experiencing some challenges which were both behavioral and systemic. Behavioral challenges included general resistance to change by the employees and negative mentality towards new ways of doing things. Systemic challenges included scarcity of resources, overreliance on development partners, non-commitment of county government in supporting the hospital agenda, lack of a clear blue print in the absence of a strategic plan, lack of harmony between the administrative and strategic change management approaches and finally insecurity. The hospital however undertook the following to handle the challenges; change of employees' mindset, formulation of strategic plan, rallying the county government to support the hospital agenda, revitalization of financial management at the hospital to reduce overreliance on partners, lobbying for increased allocations from county governments and looking for donor funding for capital projects and erection of a perimeter wall around the facility as well as increasing the number of security personnel.

The study also revealed that there was no working strategic plan at the time of study leading to a conclusion that the hospital did not have clear blueprint or direction for progressive change management. This was a major challenge since there was no document approach that

would guide the change process within the facility, there were no timelines for achievement of a specific project and it was therefore difficult to do an appraisal and come up with the projects' implementation status. This in effect made implementation of corrective measures difficult and was even cited as one of the reasons for stalled projects such as blood bank, oxygen plant and MRI Centre since no priority is set.

5.4 Recommendations for Policy and Practice

From the study it is evident that there are some findings that may require commendations to be considered for future decision making by the management. Most of the change management practices adopted by the HBCTRH were in line with the best practices advocated for in change management. Implementation of health service delivery was good in delivering effective, safe, quality personal and non-personal health interventions to those who needed them at the right time and place while optimally using the available resources. The study recommends that HBCTRH could explore more effective practices in the management of strategic change to ensure that challenges are highly reduced and thus enhancing the chances of success of a change initiative. Such practices could include a down-top approach that considers total member involvement campaign where every one's contribution is invited and considered to entrench the sense of ownership in all stakeholders' minds.

The interviewees also indicated that there was lack of strategic plan, a significant component in the strategic change process, lack of which posed a major challenge to progression. This led to lack of clear road map, communication channels, stalled projects and lack of clear structures within the facility. In order to overcome the challenges affecting the change implementation, this study recommends speedy formulation of a strategic plan that incorporates all the departments of the facility. The strategic plan should have clear timelines with short-term composite plans to enhance periodic evaluation of level of achievement of the envisaged outcome. In developing this plan, the contributions of all stakeholders should

be considered so as to align their thought process to the key objectives of HBCTRH. There was also a need for the organization to have sought a better consultant preferably one that has handled this kind of change before or with more experience.

In implementing change, those responsible for formulation of policies should ensure continuous review of the practices adopted in managing strategic change. In this regard, the study further recommends that involvement of employees be the fundamental consideration in order to have an effective change management in line with best management practice and policy. The management of the facility for instance, could win the cooperation of the employees in the strategic plan formulation process by involving them and ensuring that their views and input are incorporated in the plan. This will arouse their sense of ownership of the change process, motivate them and make the management of the change process easier. In so doing, the management could structure this process per department to avert any resistance that may arise as a result of organizational wide implementation which is usually vulnerable to non-cooperation of staff. Department wise implementation gives a sense of responsibility to the departmental heads who will intern go an extra mile to achieve the overall objectives of the facility. The policy formulators also need to appreciate the challenges facing HBCTRH in strategic change management then use the same to guide them in policy making.

5.5 Limitation of the Study

The findings of this study, being a case study carried out in a single facility, may not be generally applicable to other facilities or organizations since the data gathered may be different from the strategic considerations that other facilities in the health sector may have adopted or may want to adopt in the management of strategic change. This considers that various facilities have different objectives and divergent ways of managing strategic change. Therefore, the findings of this study may only be applicable to HBCTRH and other similar

organizations operating in identical social, economic and political environment with similar governance structures.

Another limitation of this study is that it only focused on management of strategic change, however, there are other factors that are very instrumental in the management of strategic change. These factors include but not limited to employee cooperation, stakeholder involvement, organizational design, corporate governance and organization leadership.

Case study method approach was adopted for the study and it provides in-depth information that could be used to advance theoretical insights and ideas that may not be revealed by other research methodologies. However, this methodology leads to subjective information and conclusions that cannot be corroborated by other independent studies. The characteristic biasness of case study approach therefore compromises the objectivity and reliability of the study.

5.6 Suggestions for Further Research

The focus of this study was managing strategic change at HBCTRH which gave the study such a narrow scope that may result to a misleading conclusion given that the management philosophies differ from one facility to another. It would be important to carry out further research under a different context and environment. The researcher therefore recommends a similar study to be carried out in different health facilities in order to establish whether the findings could be similar.

The gist of this study was management of strategic change, however there are other factors that influence strategic change within an organization. This paper therefore recommends further studies on other related factors such as organizational leadership, effects of stakeholder involvement, corporate governance and organization design in relation to strategic change.

The research finally recommends adoption of other more objective research designs in conducting similar studies. Such designs include survey method which gives a broader scope, wider range of information. This reduces variability of results, enhances comparability and deduction of correlations.

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APPENDICES

Appendix I: Letter of Introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
KISUMU CAMPUS

Telegrams: "Varsity" Nairobi
Fax: 4181650
Kisumu, Kenya
Telex: 22095Varsity
Mobile: 0720348080
Email: nixono@uonbi.ac.ke

P.O Box 19134-40123
Kisumu, Kenya

Date: 18th October, 2018

TO WHOM IT MAY CONCERN

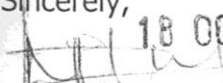
The bearer of this KICHE ISCAH ACHIENG
REGISTRATION NO: D61/81942/2015/2015

The above named student is in the MBA program. As part of requirements for the course, she is expected to carry out a study on "**Management of strategic change at Homa bay county teaching and referral hospital**"-

She has identified your organization for that purpose. This is to kindly request your assistance to enable her complete the study. The exercise is strictly for academic purposes and your assistance will be greatly appreciated.

Thanking you in advance,

Sincerely,


18 OCT 2018

DR NIXON OMORO
ASSISTANT CO-ORDINATOR, SOB, KISUMU CAMPUS

Cc File Copy

Appendix II: Interview Guide

1. What strategic changes have you implemented as management in HBCTRH in the past 2 years?
2. What were the forces that necessitated these changes?
3. Were the changes planned or emergent?
4. What were the strategic objectives of the strategic change?
5. Who initiated the strategic change in the organization?
6. Were the changes managed and which staff is involved in the management of strategic change?
7. Which practices were undertaken in managing the change process?
8. Are the practices adequate in ensuring a successful change process?
9. What challenges were faced during the implementation of strategic change?
10. What measures were used to manage the challenges faced during the implementation of strategic changes?
11. What other useful information can you give regarding the process of managing strategic change at HBCTRH?

Appendix III: Secondary Data Capture Form

DOCUMENT	INFORMATION REQUIRED
1. Annual Work Plan	<ul style="list-style-type: none"> • Organizational policies and values. • Financial performance reports. • Infrastructure status reports
2. Strategic Change Management Committee Report	<ul style="list-style-type: none"> • Communication on new change projects. • Communication on resistance to change. Management approaches to change management • Challenges experienced in change implementation. Approaches in managing challenges faced during strategic change.
3. Official Letter	<ul style="list-style-type: none"> • Communication on urgency for change. • Management approach on change management. • Challenges faced in management of strategic change.
4. Management Report and Minutes	<ul style="list-style-type: none"> • Operational reports. • Weekly and monthly financial reports. • General operational activities

Appendix IV: Annual Work Plan

MINISTRY OF HEALTH



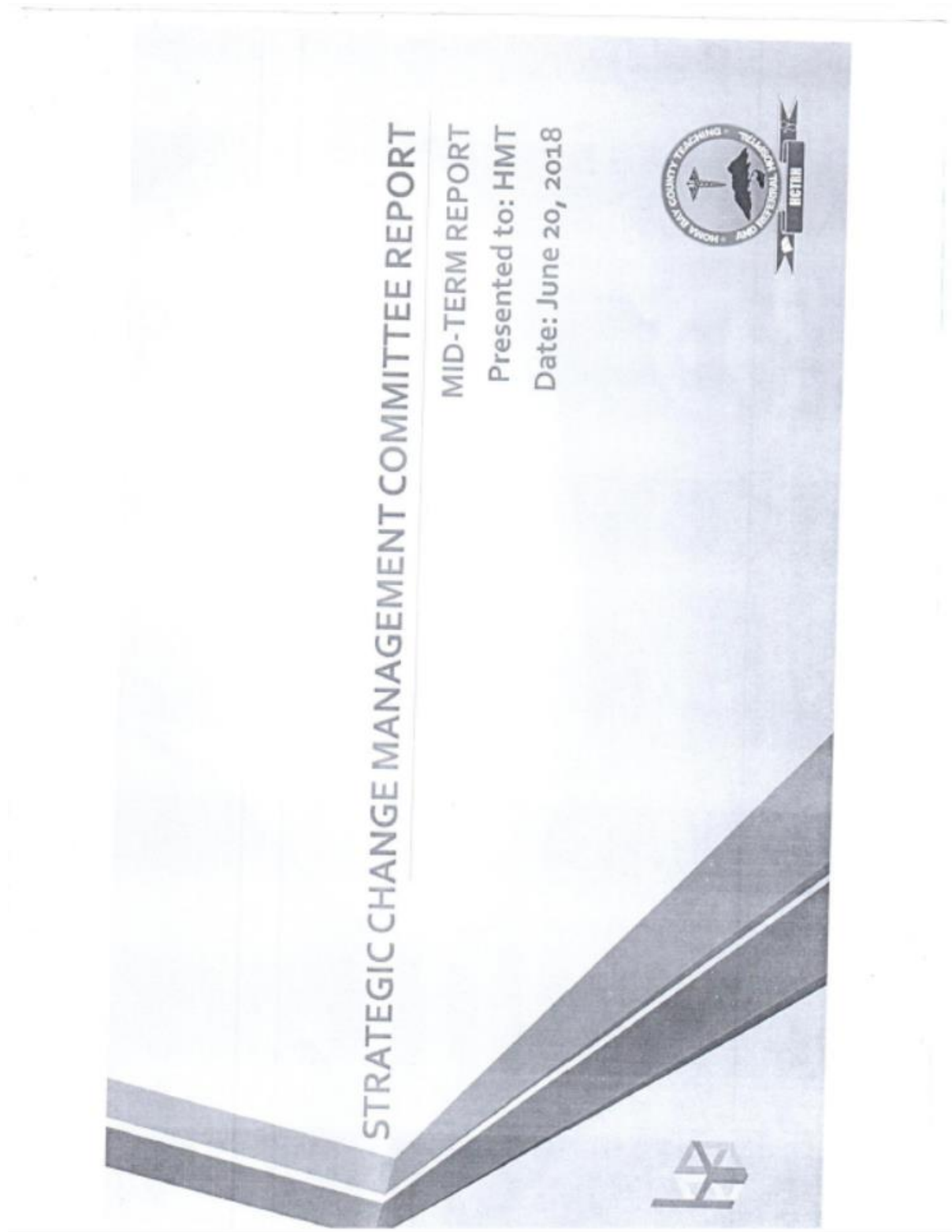
HOMA BAY COUNTY TEACHING AND REFERRAL
HOSPITAL

ANNUAL WORK PLAN

FOR

FINANCIAL YEAR 2016 - 2017

Appendix V: Strategic Change Management Committee Report



Appendix VI: Official Letter on Change of Transaction Mode

MINISTRY OF HEALTH



HOMA BAY COUNTY TEACHING AND REFERRAL HOSPITAL

INTERNAL MEMO

FROM: HEALTH ADMINISTRATIVE OFFICER
TO: ALL OUR CLIENTS
DATE: 12th FEBRUARY, 2018
SUBJECT: LIPA NA MPESA

This is to inform all our clients that all payments should be made through Lipa na Mpesa pay bill NO 886977. Account Number will be Name of the Patient. No payment of cash will be accepted.

Demand a receipt for any payment made.

This takes effect immediately.



OLUOCH OGWENO

Appendix VII: Management Report and Minutes

MINUTES OF HOMABAY COUNTY TEACHING AND REFERRAL HOSPITAL HMT MEETING HELD ON 20TH SEPTEMBER 2017 AT 1000HRS AT HIPPOBUCK HOTEL

IN ATTENDANCE

HMT Team (Attached)

BRIEF OVERVIEW OF THE MEETING

In the last 8 months, the hospital has been running a first phase strategic change program in the name of RRI (Rapid Result Initiative) steered by strategic change management committee. The change management committee supported by the change management consultant wishes to brief the HMT (Hospital Management Committee) on the progress so far. In summary the meeting aims to review the progress of the change program.

AGENDA

1. Reporting on the current status of the change program
 - a. Status report describing the practices, challenges and measures implemented in change programme.
2. Way forward
 - a. Painting a description of the work ahead
 - b. Discussing departmental plans for the next 6 months in line with the performance enhancement program
 - c. Affirmation to progress the change process
3. AOB

Opening Remarks

Prayers offered by Mrs. Ruth Otieno, Nursing officer in charge. Thereafter, Dr. Okari, secretary to the Change Committee welcomed all the members to the meeting and guided the introductory leading to the CEO address. The CEO formally opened the meeting, expressed her appreciation for the good work done so far and reminded the meeting participants of the work still ahead. After which the CEO gave an opportunity to the consultant to share the report on the status of the project.

Agenda 1: Reporting on the current status of change program

The secretary to the Change Committee defined the genesis of the project and what then informed the initiation of the change process was informed by low output of clinical and staff outputs. Consultant started with audits then recommendations and intervention in the form of RRI activities. The working groups formation of the change management committee was four group in line with Staff, patient, finances and facilities.

Appendix VIII: Management Report and Minutes

MINUTES OF THE HOMABAY COUNTY TEACHING AND REFERRAL HOSPITAL PARTNERSHIP MEETING HELD ON 24TH JANUARY 2018 AT 1000HRS AT THE HOSPITAL'S BOARDROOM

IN ATTENDANCE

Partner representatives (attached)

Dr. Lillian Kocholla	CEO, HCTRH
Dr. Khaoya B. J	EGPAF
Calvine Lwaka	EGPAF
Stella Omulo	EGPAF
Dr. Michael Audo	Project Director, EGPAF
Dr. Hemmed Lukonge	Project Coordinator, MSF
Annah Kengere	Principal KASMS
Maurice Okello	KEMRI-UW
Joyce Akinyi Otieno	KEMRI-UW
Maurice Odiero	KEMRI-CGHR
Fredrick Rawago	KEMRI-CGHR
Festus Odhiambo	KEMRI-CGHR
Zacharia Oluoch Ogweno	HAO, HCTRH
Ruth Otieno	Matron, HCTRH
Elisha Opudo	Head of MCH Laboratory
Dr. Nancy Obunga	Head of Pharmacy
Gideon Omodho	Hausraum, Performance Enhancement Consultant
Evanca Okoyo	Hausraum

BRIEF OVERVIEW OF THE MEETING

The hospital is currently undertaking a performance enhancement program with the objective of improving its efficiency and effectiveness. Harmonization and strengthening of partnership collaborations is a key proponent to the survival of the hospital. It is with this in mind that a partners meeting has been convened.

AGENDA

1. Partner's presentations on Project scope, the gains and challenges.
2. Brief summary on the state of the hospital.
3. Activities initiated to improve on service delivery.
4. AOB