

**CULTURAL INFLUENCES ON STRATEGIC CHANGE  
IMPLEMENTATION IN STATE CORPORATIONS: THE CASE STUDY  
OF KENYA PORTS AUTHORITY**

**BY**

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## **DECLARATION**

This research project is my original work and has not been presented for examination in any other university.

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

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## **DEDICATION**

To my wife Matildah and children Davies, Beatrice and Jane

## **ABSTRACT**

This study was done to determine the cultural dimensions that influence change management at Kenya Ports Authority. Focus was on change initiatives which had already been implemented by the maritime industry state corporation. As such, analysed data was collected from people who were directly involved as the changes took shape.

The researcher personally administered the interview guide (Appendix III). Respondents were carefully selected as being knowledgeable in their areas of involvement, able to bring out facts about the cultural influences and change programs as well as fairly represent the diversity of the employees. The interview sessions were very informative since the respondents to great extents confirmed information found in reference materials and working documents such as the corporation's strategic plan, business plans, corporate change management charter, annual budgets, tender documents, technical specifications, procurement plans, performance contracts, training programmes, project timetables, customer services charter and survey reports.

The major cultural factors found to significantly influence strategic change implementation were top management support, customer focus, efficiency, competence and teamwork. To some extent, factors such as ethnic prejudices and vested interests had light bearing on change management hence recognized as sub cultures within the corporation. Also in this category are negative beliefs and slogans amongst members of informal groups.

It was also found that the corporation has over the years applied various strategies to obtain employee buy-ins to assure success of necessary changes. Formulation of change teams by credible managers and unionists advanced necessary impetus for their availability and commitment throughout implementation. Motivation was mainly reinforced by the managing

director's approvals signifying top management backing for needed change so that efforts will not after all be in vain. The authority of top management was manifest whereby certain critical requirements were prescribed as mandatory such that flouting them would be breach of policy. Co-option, sensitization, counseling, negotiation, regular briefings and updates, work place visits by top management and celebration of milestones were among ways which allayed fears and enabled deepening of change. Sensitization messages printed on each employee's monthly pay slip were spectacular; just as were regular internal and external surveillance audits. Whenever culture posed barriers to structure and people changes due to ignorance of employees on what the change entailed for them, education, negotiation, participation, co-option and involvement were the main methods applied to enhance change readiness. For technology changes with large capital outlay, education and specialized training were in many instances part of the change program. These were found to have included rewarding change team members in monetary forms as well as local and overseas travel commonly referred to as familiarization tours or simply training duty travel.

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## **LIST OF ABBREVIATIONS**

EDI	-	Electronic Data Interchange
ISO	-	International Organization for Standardization
KPA	-	Kenya Ports Authority
KWATOS	-	Kilindini Waterfront Operating Systems
MVA	-	Mega Volt Amperes
SAP	-	System Application Product
TEU	-	Twenty Foot Equivalent Unit

# CHAPTER ONE : INTRODUCTION

## 1.1 Background of the Study

Managing strategy very often involves strategic change and the various issues involved in managing change. This interesting fact was stated by Johnson, Scholes and Whittington (2008) who also noted that the ways of approaching change are not readily transferable between organizations. As a result they recommended different approaches to managing change according to context. Similarly, Heberberg and Rieple (2008) explained that the strategic management process under which organizational mission is carried out takes place largely within a particular operations culture. They added that the collective commitment of the people to a common purpose must be supported by the organizational culture. The role of culture was underscored by Weihrich and Koontz (1993) when they concluded that it sets off the tone for the company and establishes implied rules for the way people should behave. More specifically, they emphasized that the effectiveness of an organization was influenced by the organizational culture, which affects the way the managerial functions of planning, organizing, staffing, leading and controlling are carried out.

French (2003) highlighted that it was important to understand the concept of organizational culture because components of culture influenced organizational performance. Besides, Bridges (2003) expounded and cautioned that even though change may be justified in economic or technological terms, its success or failure finally depended on whether the people did things differently. Notably, David (2011) observed that organizational culture must foster competence and enthusiasm among employees and managers. With this regard, he pointed out that strategists

can capitalize on cultural strengths such as work ethics and highly ethical beliefs then management can swiftly and easily implement changes.

### **1.1.1 Change Management**

Kotter (1996) described the macro-economic factors controlling organizations in which strategic management occurs as only bound to grow stronger. He further explained this as the reason why more organizations were being pushed to cost reduction, improvement of quality of their products and services, locating new growth opportunities and increasing productivity. On his part, Bridges (2003) declared change the name of the game and warned that organizations which cannot change quickly are not going to be around for long. Later, Burnes (2009) illustrated change as a phenomenon running along a continuum from small scale incremental change to large scale transformational change. He pointed out that important consideration should not be to the type of change but how it should be conceived and managed. Major changes according to Conner (2006) occur when expectations about important events or issues are significantly disrupted. O'Brien (2004) outlined change management as managing the process of implementing major changes in information technology, business processes, organizational structures and job assignments. He enumerated the objectives of change management as being to reduce risks and costs of change and optimize its benefits.

Mullins (2005) described the nature of change as a pervasive influence and inescapable part of both social and organizational life. He pointed out that management of change theories apply to all managers as a central factor in both private and public sector organizations. In follow up he identified successful management of change as an increasingly important managerial responsibility. Conner (2006) argued that managing change is the most crucial of skills which must be incorporated into a manager's bank of resources. Besides, Bridges (2003) explained that

for organizational change to succeed, the affected people have to understand the new arrangements and how they will be affected by the changes. In order to be able to vary their style of managing change with different circumstances, it is important for managers to have relationships and leadership skills with both internal and external stakeholders (Johnson, Scholes and Whittington, 2009).

### **1.1.2 Organizational Culture**

Organizational culture according to Mintzberg, Ahlstrand and Lampel (2009) is an expression of the organization as a community. Robbins and Judge (2011) explained organizational culture as the shared perceptions organizational members have about their organization and work environment. Mullins (2005) pointed out that the factors that define organizational capabilities and disabilities evolve over time. They start with resources, then move to visible articulated processes and values and finally migrate to culture. This view was shared by David (2011) when he outlined organizational culture as a pattern of behavior that has been developed by an organization as it learnt to cope with its problems of external adaptation and internal integration. He argued that over time, culture had worked well to be considered valid and be taught to new members as the correct way to perceive, think and feel.

Wehrich and Koontz (1993) explained that organizational culture can be inferred from what people within it ranks say, do and think. However, culture is according to Bukusi (2004) a feature which is not a permanent condition of an organization. For that matter, no single organization is condemned to its culture. He clarified that it is the duty of leadership to align its culture to realize the full value of organizational corporate activity, support and foster participation of employees in corporate affairs. Wehrich and Koontz (1993) added that many slogans give a general idea of what a particular organization stands for, that is what it wants to be

known for. Conversely, the aspect of culture constitutes a pervasive context for everything thought and done in an organization (Robbins and Judge, 2011). They analyzed culture and likened it to team spirit which subsists at the organizational level, and is the collection of traditional values, policies, beliefs and attitudes. The products of culture according to David (2011) include values and beliefs which strategists can use as levers to influence and direct activities during strategy formulation, implementation and evaluation. Some dimensions of culture according to Robbins and Judge (2011) are safety, justice, diversity and customer service which dictate the way things are done around the organization.

### **1.1.3 Kenya Ports Authority**

Kenya Ports Authority is one of the state corporations under the Ministry of Transport; established by an Act of Parliament in 1978. It provides directly or indirectly, docking services such as pilotage, berthing, stevedoring, shore handling of cargo and bunkering to all ships docking in Mombasa. The corporation also manages all scheduled seaports along the Kenyan coastline and Inland Container Depots in Nairobi, Kisumu and Eldoret. A Liaison Office in Kampala handles transit business mainly to Uganda and the rest of the Great Lakes Region. Appendix I shows the current structure of Kenya Ports Authority. The vision of the corporation is to attain the status of World class seaports of choice. Its mission is summarized in the statement; to facilitate and promote global maritime trade through provision of competitive port services (Kenya Ports Authority, 2012).

Njiru (2008) observed that state corporations had become strong entities and very useful engines to promote development in Kenya. With particular respect to the national development blueprint Vision 2030, Kenya Ports Authority will provide the necessary strategic direction in enhancing productivity and achievement of the international competitiveness in port business. Nonetheless,

Mombasa faces competition mainly from African ports of Durban, Nqgura, Dar es salaam, Tanga, Djibouti, Soukher and Berbera (Kenya Ports Authority, 2012). In its role as a regional gateway port, the corporation has to ensure that Kenya's landlocked neighbours have a modern sea trade outlet (Kenya Ports Authority, 2011).

There has been steady expansion and development and the Mombasa container terminal is easily the largest facility of its kind. Current business and forecasts depict growth in container traffic which explains the capacity boosting to handle higher cargo volumes. The corporation is on track to provide infrastructure to accommodate bigger new generation ships hence increase competitiveness of the Port in light of the dynamic global shipping trends. Further, new modern technology equipment has been acquired to provide efficient services to port customers in line with its customer service charter (Kenya Ports Authority, 2012).

Over the past ten years, the corporation has undertaken comprehensive organization-wide reviews which have twice seen its structure significantly altered alongside changes in port strategy. The corporation is also implementing a quality management system in line with ISO 9001:2008 requirements to continually improve customer satisfaction. To improve cargo deliveries, reduce congestion, enhance ship turnaround and overall port performance, a new twenty four hour seven day cargo delivery system is operational. Implementation of a comprehensive information communication technology strategy is also underway to transform Mombasa into an e-port. It will provide a common platform for sharing shipping information amongst stakeholders and result in faster cargo clearance and improve port efficiency. The Port has also improved its safety management systems with stringent regulations for both its employees and visitors.

In line with the International Ship and Ports Facility Security (ISPS) Code the corporation is enforcing a new integrated security system. Besides, the procurement function has been restructured to comply with the legal framework of public procurement and disposal in Kenya. Performance contracting following government guidelines has also been adopted. The corporation recently attempted implementation of a rebranding strategy in pursuit of a new vibrant corporate image.

Few strategic management studies have been carried out in Kenya with respect to organizational culture influences. None of the sighted studies examined the concepts of change management and cultural influences in the maritime industry context of Kenya Ports Authority. This study will be unique, worthwhile and timely as the current three year business plan of the corporation is meant to address new issues and challenges emanating from changes in global economic environment in general and the maritime industry in particular (Kenya Ports Authority, 2012).

## **1.2 Research Problem**

The approach to strategic change and the different roles people play in managing change according to Johnson, Scholes and Whittington (2008) are influenced by the context of the organization. David (2011) viewed organizational culture as being similar to individual personality in the sense that no two organizations have the same culture just as no two individuals have same personality.

Notably, the above enumerated changes in Kenya Ports Authority are the types of strategic changes which according to Conner (2006) have been revealed as most crucial to success of most business and societal organizations. Appendix II shows the summarized list of some of the changes. The corporation's customer service charter enumerates its core values; as customer

focus, integrity, teamwork and care for staff, the community and environment as the tenets which should express the organizational culture.

Tai (2007) recommended fitting corporate culture in the corporation's strategy. Jepngetich (2007) underscored the need to understand the impact of existing culture on general organizational performance. Although the Kenya Ports Authority was in the researcher's sample, its response was among those declared ineffective. Even with the cited case studies, this research will be interesting with two questions begging: How does the corporate culture at Kenya Ports Authority correlate with change implementation? Which strategic measures has the corporation adopted to deal with cultural influences on the effectiveness of its strategic choices?

### **1.3 Research Objectives**

The objectives of this research were twofold, as follows: -

- (i) to establish the dimensions of culture within Kenya Ports Authority with a view to analyzing how they influence change management
- (ii) to identify the strategic means the corporation has employed to deal with cultural influences during change.

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

This research will provide empirical insights on the significance of the people or soft side of change to stakeholders in both the academic and business circles. It will inspire their perception of cultural change initiatives meant to increase the likelihood of achieving targeted results, create greater shareholder wealth, benefit the employees more and promote industrial harmony.



Technocrats, and economically oriented finance people and analytical oriented engineers who find the topic of social norms and values too soft for their tastes, will learn never to ignore dimensions of culture in organizational change. As practitioners they will find in this paper a set of sensitizations to help them manage culture as key to enhancing organizational resilience and minimizing chances of dysfunctional behaviour. Employee change targets will realize that they need not resist change only in playing to the whims of existing culture because a change might as well be beneficial to them. Hence, the study will help organizational members implement strategy differently and avoid past mistakes hence allow deepening of needed change. It will also supplement previous works as researchers will apply the findings to comparative studies and related topics. Hence the research will contribute to the global body of knowledge on organizational culture and change management.

The identification of the forms of strategic means used to deal with cultural influences during change and their management will assist various stakeholders develop appropriate cultural management programs. These include government, boards of directors and top managers to whom this study will highlight the role of culture in setting targets such as those in performance contracts.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This Chapter will provide insightful delve into available works of literature about the research matter. The researcher will highlight organizational change and the role played by culture in change management. The other relevant concept of resistance to strategic change will also be explored with particular emphasis to cultural change.

### **2.2 The Concept of Change Management**

Robbins and Coulter (2003) hypothesized a business environment free from uncertainty, competitors do not introduce new products and services, customers do not demand new and improved products, government regulations were never modified and employee needs never changed. They observed that under such conditions there would be no need to adapt; hence issues of effective organizational design would be solved. Outcomes of each alternative would certainly be accurately predicted in a platform where decision making is dramatically streamlined. This they concluded would make the manager's job relatively easy since there would be no organizational change that is, no alterations in people, structure or technology. Kotter (1996) indicated that contrary to some people's predictions, it was highly unlikely that most of the re-engineering, re-structuring, mergers, downsizing, quality efforts and cultural renewal projects would soon disappear. Bridges (2003) explained that the intensity of change impact varies from no change, to incremental change then to continuous change. Regardless of the impact he explained that change is perceived as not only disruptive to existing expectations but also challenging to absorb. Change management according to Robbins and Judge (2011) is

an intentional, goal oriented process which seeks to improve the organization's ability to adapt to changes in its environment and change employee behaviour.

Organization theories were explained by Burnes (2009) to be theories of change since they addressed the issues of change management either explicitly or implicitly. Conner (2006) stated that the ability to successfully manage change had become one of the most important skills needed for personal happiness, in prosperity of organizations and the health of the planet. Syrett (2007) underscored the fact that the right leadership skills contribute to what he termed as a virtuous upward spiral that will enable an organization to anticipate and respond to uncertainty and change on a self-sustaining basis.

Conner (2006) pointed out that managing the myriad of changes of varied scales, requires managers to shift their perception towards change and how it is managed. He viewed the role of effective leaders as being that of reframing the thinking of those whom they guide and enabling them see that major changes are not only imperative but also achievable. Robbins and Coulter (2003) explained a manager or non-manager can be a change agent whose expertise is change implementation. For major systematic changes, organizations often hire outside consultants to provide advice and assistance. They elaborated that change agents are those people who act as catalysts and assume the responsibility for managing the change process. Further emphasis was that as change agents, managers should be motivated to initiate change because they are committed to improving the organization's performance.

Bridges (2003) suggested that change agents should spend more of their energy selling the problem that is the reason for the change than they do in selling the solution. He further argued that people need to see, acknowledge and understand problems in the market and participate in

the search for solutions. That way the people own the problem, possibly would come up with better solutions than their managers. Johnson, Scholes and Whittington (2008) noted that people are not like other resources since they influence strategy both through their competence and through their collective behaviour. According to Mullins (2005), if change is to work, it must change the perceptions, attitudes and behavior of people. He added that the people factor often derails change management simply because many organizations know where they want to go but they are not taking their people with them.

### **2.3 Rationale and Readiness for Change**

Robbins and Judge (2011) cited the forces of change as the changing nature of the workforce, technological advancements, extraordinary economic shocks, changing competition, non-static social trends and change of world politics. Most organizations according to Conner (2006) have to deal with external pressures as well as cope with internal pressures. He explained that external pressures emanate from domestic and international markets, unstable economies, government regulations, unions and consumer groups. On the other hand, internal pressures have to do with need for increased effectiveness, productivity and quality. Mullins (2005) described the sources of organizational change to include deliberate initialization by managers, slow evolution within a department and imposition by specific changes in policy or procedures. He outlined the forces of organizational change as being due to uncertain economic conditions, globalization and fierce world competition, the level of government intervention, political interest, scarcity of natural resources and rapid development in new technology and information age. Kotter (1996) explained globalization as being driven by a broad and powerful set of forces associated with technological change, international economic integration, domestic market maturation within developed countries and the collapse of worldwide communism.

Carnall (2003) explained the concept of change readiness to be how ambitious the organization can and should be when considering proposals for change. Johnson, Scholes and Whittington (2008) explained that the organization is ready for change if need for change is felt by the workforce across the organization. They also indicated that there could be widespread resistance or pockets of resistance in some parts of the organization and readiness in others. Accordingly, Balogun and Hailey (2008) suggested that change may be approached through pockets of good practice. In this regard, whatever the start point selected, top-down or bottom-up, change can also be implemented throughout the organization simultaneously or gradually via pilot studies. On a similar note, they explained change implementation styles as sitting in a continuum from coercion to education and delegation.

#### **2.4 The Concept of Organizational Culture**

Mintzberg, Ahlstrand and Lampel (2009) associated organizational culture with collective cognition and referred to it as the organization's mind. They illustrated McKinsey's Seven S Framework which refers to culture as superordinate goals and places it at the centre of the other six 's' which are strategy, structure, system, style, staff and skills. The basic premise of the model is that the seven internal aspects of an organization need to be aligned if an organization is to be successful. Notably, culture is the central factor, affecting and being affected by the other six. Balogun and Hailey (2008) cited the cultural web in Johnson, Scholes and Whittington (2008) which models an organization through six interlinked and interdependent sub systems. The subsystems were enumerated as stories, symbols, power structures, control systems, routines and rituals all of which are interconnected with the paradigm of the organization. In a similar discussion, Heberberg and Rieple (2008) argued that it is very rare for an organization to articulate what its paradigm is since it can only be observed and inferred from other elements or

cultural artefacts. They illustrated these to include power holders, internal and external contracts and relationships, structural hierarchy, stories and symbols, ways of working and control systems. These elements were shown to correlate with the values and belief systems of the organization in a complex matrix.

Since organizational culture represents a common perception the organization's members hold, Robbins and Judge (2011) added that we should expect individuals with different backgrounds at different levels in an organization to describe its culture in similar terms. They explained that if most employees have the same opinion about the organization's mission and values, the culture is strong. On the other hand, if opinions are varied, the culture is weak. It follows that in strong culture the organization's core values are widely shared as well as intensely held. This view was shared by French (2003) and Robbins and Judge (2011) who also pointed out that usually the concept of culture is used relative to the total organization although there can be distinct sub cultures within the same organization.

Heberberg and Rieple (2008) differentiated the concept of organizational culture from that of organizational mission which is a conscious message that the organization broadcasts to its stakeholders or from deliberate strategies. They also explained two models of organizational culture. The first type classified culture according to what can be observed about the working ways of the organization, that is its work routines and the ways employees interact. These are contingency models based on the hypothesis that certain cultures work better in specific contexts. The second type of models offers means of analyzing an organization's belief system or paradigm. It does not classify those belief systems or claim there are systematic links between belief systems and performance.

Others like Thomson, Strickland and Gamble (2010) intimated that when the organizational culture indicates a system of corruption at work, people have an approval to ignore what is right. They may engage in any behaviour and employ any strategy they think they can get away with. Finally, Johnson, Scholes and Whittington (2008) gave the impression that there are some strategies where an organization's current culture gives unique advantage over other organizations. In such cases, they concluded culture is a core competence.

## **2.5 Influences of Culture on Change Management**

Mintzberg, Ahlstrand and Lampel (2009) indicated that the linkages between the concepts of culture and strategy are many and varied. David (2011) concurred and pointed out that culture embodies the internal strengths and weaknesses of the organization. He further explained that because of its interfunctional nature culture is sometimes overlooked; and advised strategists to understand their organization as a sociocultural system. As such, it is clear that success comes only when organizational culture is linked to strategy. According to Tichy (1983), organizations face major discontinuous change that makes strategic management more difficult and more complex than ever. He indicated that to succeed in this environment, organizations needed to look at cultural systems operative within their organizations. Kotter (1996) clarified that if organizations ignored culture, strategy could be implemented ceaselessly yet they still fail in their mission to offer the products or services people want at prices they can afford.

Kotter (1996) explained that change sticks only when it becomes the way of doing things in an organization, that is new behaviours have to be rooted in social norms and shared values in every work unit. Without this happening, he added that the organization's changes are always subject to degradation as soon as pressures associated with a change effort are removed. Therefore he

advised that successive generations of managers must personify the new approaches. According to Robbins and Judge (2011), Professor John Kotter of the Harvard Business School built on Kurt Lewin's three-step model to create a more detailed approach for implementing strategic change. Kotter explained that all successful transformations are based on the one fundamental insight that a major change will not happen easily for a long list of reasons. As a result, he enumerated the change process to include eight stages whereby the final stage follows through to institutionalize the changes in the corporate culture and help changes stick. Cole (1997) cited organizational culture as one of the long term issues at the heart of the strategic management processes.

Robbins and Coulter (2009) were concerned about what managers could do to change the organization's culture when that culture ceases to support the organization's mission. Mckean (2009) explained supportive culture as that which enables strategic thinking and a constant desire to do things better. In this regard, Johnson, Scholes and Whittington (2008) were unequivocal that people must see their role as shapers of context. Similarly, Mullins (2005) explained that when accepted, cultural values increase the power and authority of management in ways such as employees identifying themselves with the organization and accepting its rules as what is right to do. With a sense of ownership, they internalize the organizational values and are motivated to achieve the organization's objectives which they believe to be right.

## **2.6 Changing Organizational Culture**

Mckean (2009) observed that strategic planning and communication process will be straight forward in an organization with strategic culture. Accordingly, Wehrich and Koontz (1993) indicated that even the most brilliant strategic move may be thwarted by the organizational culture. On the other hand, Bukusi (2004) stated that there is no reason to allow corporate



objectives to suffer or become undone because of incompatible behaviour that compromises the organization's ability to meet its social commitments. Mullins (2005) was categorical that whenever a discrepancy exists between the current culture and the objectives of the change in an organization, the culture always wins. Recognizing this fact, Conner (2006) stated it was imperative to evaluate culture and see if it matches the desired objectives. If it does not, there is need to change the culture as well. Balogun and Hailey (2008) highlighted the need to diagonalize culture and barriers to change it presents. As a result, they explained that understanding the prevailing culture can help inform the type of change needed as well as an organization's readiness for change.

Dessler (2004) explained cultural change as adopting new corporate values – new notions of what employees view as right and wrong, and what they should or should not do. He pointed out that some of the values needed for employees to adopt may be to move faster, embrace technology or keep lines of communication open. Syrett (2007) described a cultural change initiative in Reuters dubbed the Fast Forward Program. Among its inspirations was to create a new culture based on being fast, accountable, service driven and team focused. It aimed to provoke the ability to anticipate and respond to continuous change amongst all employees.

Johnson, Scholes and Whittington (2008) cautioned on the need to be realistic about the difficulty and time scales in achieving cultural change which is a long process of changing behaviours. They argued that it is beneficial for change to be incremental so as to build on skills, routines and beliefs of those in the organization. Weihrich and Koontz (1993) clarified that changing culture may take a long time, even five to ten years. Accordingly, Robbins and Coulter (2009) recommended that there must be a comprehensive and coordinated strategy for managing cultural change. They enumerated the necessary stages in the roadmap for cultural change. In the

process, they explained that weak cultures are more receptive to change than strong ones. Hence weak culture was identified as one of the conditions for change.

Dessler (2004) explained that cultural change is necessary whenever there is need for change in the people, attitudes and skills. It means that in case of structural changes, sometimes employees must change. On the other hand, effective cultural change is needed in technological changes. Along the same lines, reengineering work processes or automating production processes is futile without employee support. Mullins, (2005) concurred and further stated that organizations around the globe have realized that all structures are useless if the people implementing them are not convinced of their necessity. He added that change management meant more than changing the structure. It meant changing the nature of the organization and this involved people, their beliefs and values. Burnes (2009) explained that if not matched with an appropriate culture, an appropriate structure cannot be effective hence, not enough.

Robbins and Coulter (2003) ranked changing organizational culture among the contemporary change management issues together with continuous quality improvement versus process reengineering and handling employee stress. They asserted that managers must stay constantly alert to protect against any back sliding to old familiar practices and traditions. To reinforce this David (2011) pointed out the challenge of management today as being to effect changes in the organizational culture and individual mindsets that are conducive to strategy formulation, implementation and evaluation.

Greater effort was required to realize return on investment in corporate culture in larger organizations which inevitably have more challenges present (Bukusi, 2004). Along this line of thought, Bridges (2003) blamed failures of organizational changes on planners and implementers

who naturally were concerned about the future forgetting that people have to let go the present first. He was categorical that it was not enough to tell people that they have to work as a team. Further he stressed the need to figure out exactly how individuals' behavior and attitudes will have to change to make teams work. Kotter (1996), on his part pointed at omitting to unlearn the old ways so that what used to be is ended as the single biggest reason organizational changes fail. He emphasized the need to involve all people in decision making after making them fully aware of the problem necessitating change.

Kotter and Rathgeber (2006) explained that prosperity of people and organizations depended on their handling of the challenge of change to make people see the need for change so as to correctly identify what to do to successfully make it happen. Stoner, Freeman and Gilbert (2003) stressed that planned change is needed for successful implementation. Conner (2006) added that there is need to manage the organization's culture well to enable absorption of change. If not well managed, people feel that the changes are as a greater volume, magnitude and complexity than they can adequately absorb.

## **2.7 Resistance to Cultural Change**

Drucker (1989) stated that not much was being heard any more about overcoming resistance to change since everyone had accepted change was unavoidable. However, according to Carnall (2003), strategic change can be beset with opposition from stakeholders, whether key professionals, other vested interests, unions and the like. Mckean (2009) explained that organizations that do not have strategic culture encounter serious resistance; do not understand the strategic process and are not prepared to change. He gave emphasis to the importance of ensuring that those most affected by organizational change have a say Fselit is implemented.

Robbins and Coulter (2003) pointed out that change can be a threat to people in an organization. People resist change due to feelings that it replaces the known with ambiguity and uncertainty, concerns over personal loss and belief that the organization is not to be served in its best interest. They underscored the fact that organizations can build up inertia that motivates people to resist changing their status quo although change might be beneficial. Since culture takes time to form, it gets entrenched with time. Strong cultures are particularly resistant to change because employees have become so committed to them. In this regard, David (2011) asserted that the organization's culture can become antagonistic to new strategies with the result being confusion and disorientation.

Robbins and Coulter (2011) stated that although many change agents fail because organizational members resist change, that resistance can be positive if it led to positive discussion and debate which provided change agents the opportunity to explain the change effort. As such, Mullins (2005) emphasized the importance of managers to understand reasons for resistance, nature of resistance and to adopt a clearly defined strategy for the initiation of change. Further, activities managed on the basis of technical efficiency alone are unlikely to lead to optimum improvement in organizational performance. According to Robbins and Coulter (2011) there are several strategies to deal with resistance to change. Each strategy is effective depending on the particular organizational scenario and reasons for resistance to change. This view was also advanced by Kotter (1996) in his opinion that with awareness and skill, problems can be avoided or at least greatly mitigated.

## 2.8 Summary

In a nutshell, available literature has invaluable lessons about the relations between dimensions of organizational culture and effective change management. In fact, Mintzberg, Ahlstrand and Lampel (2009) observed that successful companies were dominated by key values such as service, quality and innovation which in turn provided competitive advantage. The challenge to leaders as stated by Conner (2006) goes beyond determining what needs to be done differently. It was indeed indicated by French (2003) where he highlighted that people in organizations should understand how to identify the functional and dysfunctional aspects of organizational culture, failure to which they and their organizations will become victims of the culture rather than masters of it. Earlier, Kotter (1996) was categorical that strategic change implementers and practitioners can only ignore culture at their peril. In this respect, Conner (2006) and Balogun and Hailey (2008) clearly indicated that whenever the existing organizational culture is not conducive for needed change, there is need for cultural transformation. Finally, as Carnall (2003) spelt out, cultural change faced resistance which is inherent in people. Organizations should be prepared to manage resistance in a planned and ordered manner for needed change to stick.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This Chapter enumerates how the research project was carried out. A description of selecting the research design, data collection sources, as well as how data was collected and analyzed will be presented, explained and justified.

### **3.2 Research Design**

The research was conducted on a case study design which allowed conceptual focus on the specific and interesting context. According to Shuttleworth (2008), the design is a flexible method which may lead to pouncing on into new and unexpected results before final analysis. This in turn has the advantage of widening research. By leading us to new directions, the case study approach may aid subsequent researchers in their pursuit to broaden the existing body of knowledge.

It was found appropriate since it enabled us collect and data chosen on the realistic responses within the context. Not only did it bring out the organizational cultural influences on strategic changes, but also helped the researcher identify measures taken by the corporation to enhance institutionalization of needed change.

### **3.3 Data Collection**

The researcher collected data from both primary and secondary sources. Since needed information was known, the interview guide attached as Appendix III was designed to enable systematic flow of data. The researcher administered the guide in person on carefully identified respondents who had experience in the selected changes. Specifically, targeted interviewees were

managers, change team members and unionisable employees who were capable of giving detailed information. Data was also be collected by observation of activities in implemented changes.

Secondary data was derived from perusing official work records, documents and reference materials such as the Kenya Ports Authority (KPA) strategic plan, business plans, policy manuals, corporate change management charter, annual budgets, tender documents, technical specifications, procurement plans, performance contracts, training programmes, project timetables, customer services charter, survey reports, minutes of meetings, audit reports, procedure manuals, code of conduct manual, organization charts, management circulars, accounting documents, management circulars, e-mails, promotional materials, published and unpublished bulletins.

The multiple data collection methods were preferred to enrich the research data with both documented information and presently available but undocumented information. Personal opinion of respondents came out vividly through the structured face to face interviews.

The targeted respondents were requested to schedule interviews via e-mail and telephone at least three days before the interview date. Follow up telephone calls, short text messages and e-mail helped to adequate responses. Most interview sessions took just over one hour conducted at the convenience and comfort of the respondents in their offices. Where necessary after the interviews, clarifications were made with the respondents through telephone calls and short message texts.

### **3.4 Data Analysis**

At the data analysis stage, focus of the study was to use the available research data to make meaningful inferences. As such, the researcher's chosen approach was content analysis to establish and explain links between the organizational culture and strategic change implementation. As a research method, content analysis was found to be a powerful tool when combined with other research methods such as interviews, observation and use of documented records; all of which were employed in this case study.



## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This Chapter presents the methods used in analysis of research data and provides the results of this analysis. It also includes a detailed discussion based on the results with actual examples encountered during the research to explain justifications.

### **4.2 Data Analysis**

Systematic document reviews were carried out on the corporation's strategic plan, business plans, policy manuals, corporate change management charter, annual budgets, tender documents, technical specifications, procurement plans, performance contracts, project reports, customer services charter, survey reports, audit letters, minutes of meetings, procedure manuals, organization charts, accounting documents, management circulars, e-mails, promotional materials, published and unpublished bulletins. Relevant information was extracted and collated for analysis. This was followed with review and summary of data obtained from responses to the interview guide and personal observations.

The available qualitative data from both primary and secondary sources was in non-standardized forms of words and phrases for which classification was not required. The multiple data sources served well to enrich content, enable comparison and validation of research findings. Content analysis turned out very effective in determining the prevalent dimensions of culture and their direct causal relationships with change management. Similarly, measures the Kenya Ports Authority used over the years to enhance success of changes against the influence of cultural dimensions were identified and analyzed.

### **4.3 Results**

The research findings were consistent with available literature to the extent that people or soft issues established implied rules for the way people should behave hence affected strategic change management. The cultural influences which set off the tone within the corporation were revealed to be in two categories. On the one hand were those that significantly influenced strategic change implementation which were top management support, customer focus, efficiency, competence and teamwork. These were analyzed as major cultural dimensions even as evidence showed them to be the core values being widely shared and intensely held. They gave the strong feeling of belonging and cohesion during change implementation. On the other hand factors including ethnic prejudices, vested interests and informal group slogans were found to have light effect on the strategic direction of the corporation hence recognized as sub cultures.

The most common perception among KPA employees was that strategic change should be led from the top. Majority of respondents attributed this to the fact that KPA was wholly state owned. The Managing Director was the accounting officer appointed to run the corporation and advise on its affairs. It followed that whether need for changes in structure, technology and people was initiated due to internal or external pressures it required the approval of top management. This is shared amongst all respondents who held that the mandate was conferred in law by the KPA Act to exercise executive authority within the corporation. Indeed, there was evidence that change initiatives that did not have top management support did not progress to final stage. The example cited by all respondents was a cultural change initiative launched by the former Managing Director who in the year 2005 aimed at consolidating benefits of adopting modern technology as the driver of KPA business processes. A summary report of the project indicated that two major milestones of strategy planning and formulation had been achieved in a

fully participative process which was preceded by awareness training of a critical majority of over 4000 employees out of an estimated total of 5500. Through the sensitization and all inclusive formulation of action plans, employees converted to the belief that top management had good intentions since it was the first time they were invited to participate in corporate changes aimed at stimulating their own productivity. However, it was observed that implementation slacked soon after the Managing Director left office. Documentary evidence in form of management letters indicated that the succeeding Managing Director was not as keen about cultural change as the change agents. The slow speed of addressing change issues quickly dampened enthusiasm. Soon there was not enough momentum to sustain realized gains as the greater perception became that top management was no longer interested in the reform process. The KPA community easily slid back to their old ways of doing things. Other projects which flopped due to lack of top management support were found to include implementation of rebranding strategy, electronic queue management system and automated time management which remained the unexploited module in the integrated enterprise resource program (SAP) since the year 2002.

Some major changes involving large capital outlay or with disruptive tendencies continued to greater heights of success including upgrades even after the exit of the Managing Director under whose term they were initiated. This was attributed to top management support. Some examples provided included the modernization of port power supply, implementation of the information communication technology strategy and involvement of private sector container freight stations (CFSs) in cargo handling.

All respondents displayed awareness about their internal and external customers and the pressing need to satisfy them. Understanding the changes in maritime business was indicated as integral

to customer focus as much as it was to attainment of the KPA stated mission to facilitate and promote global maritime trade through provision of competitive port services. Most respondents attributed KPA operational changes to external pressures mainly driven by technological changes in the world which resulted in shifting of customer preferences. It was evident that obsession with the customer was intensely held among respondents. Sighted management letters, memos, e-mails, suggest that customer focus determined need to implement changes in the corporation. Technology changes like the commissioning of mobile harbour cranes was in order to boost container handling capacity in conventional berths and curb congestion of ships at the container terminal side. Moreover, the corporate quality policy has its first objective to continually improve the quality of customer services to acceptable World class standards. This was also found to be in tandem with the corporate vision statement.

Modernization of port power supply was explained from the perspective of growth in the cargoes being handled and changes in cargo portfolios. The Mombasa Container Terminal electric power system was designed for 250,000TEUs but growth in cargo volumes tripled before expansion hence stretched electric power capacity as more equipment and facilities had higher energy needs to operate. The electric power demand is currently 5MVA, which is projected at 10MVA when the new berth 19 is finally commissioned in March 2013. The upcoming second container terminal alone had been shown to have power requirement of 15MVA. The port power capacity in the process has to be upgraded to 32MVA by February 2016 when the new terminal is slated to be operationalized. The changes being implemented were in response to customer needs for additional modern berthing and container stacking. Other major changes in response to customer requirements were such as the dredging of the channel to deepen and widen the turning basins, Kilindini Waterfront Operating System (KWATOS), involvement of private sector container

freight stations in cargo handling, delivery of cargo on a 24/7 basis and integrated Security System (ISS) project and provision of new additional reefer points at the container terminal.

Operational efficiency was seen in light of competition from similar businesses specifically the ports of Durban, Djibouti and Dar-es-salaam. To a great extent the change implementers exhibited awareness that KPA had no option but build capacity. Before the strategic change of channel dredging works were initiated, the Port of Mombasa had started losing some business to Djibouti because they could not accommodate the super-panamax ships which are larger in size than the conventional or the so called panamax ships. The new berth number 19 and the second container terminal are also expected accommodate such vessels. Global trends which depict customer preferences tend towards the larger vessels. It was observed that respondents understood the need for operational efficiency or performance. At the cargo terminals dockers, clerks and equipment operators spoke freely about efficiency. Equipment operators were observed as particularly enthusiastic about improving performance from the current 17 container moves per hour towards attaining the World record of 30 container moves per hour. Practitioners from engineering, information technology, finance and administrative functional units underscored efficiency as timely completion of allocated tasks and progress reports

Competence was the apparent value to drive change initiatives in the sense the structure of KPA (see Appendix V) is heavily departmentalized on professional lines. Its scheme of service prioritizes professional qualifications for management cadres. People were selected to change teams on the basis of performance criteria with training being the main functional area. In addition, employees in the corporation were observed to share a sense of pride operating in the unique maritime industry. Connected to this, over eighty percent respondents vividly expressed feeling of special competence as their organizational culture. This was most evident in

technology change projects like commissioning of mobile harbour cranes, ship to shore gantry cranes and marine craft, integrated security system (ISS) project, enterprise resource program (SAP), Kilindini Waterfront Operating System (KWATOS) and new Lamu Port development. In these change projects, merit was seen as being driven by competence and specialization. It was observed that employees who in September 2012 went for training on new marine tugs in Taiwan were required to have had minimum qualification as senior harbour tug certificate. Additionally while demonstrating competence, new change agents were required to adopt approaches taking cognizance of what the other team members had accomplished. In this regard, every department had documented its set of approved standard operating procedures which had stood the test of time.

Respondents and document review indicated that teamwork was the hallmark of successful change implementation. Wherever a change project required expertise in more than one field, members of the implementation team were drawn from the relevant functional areas. The enterprise resource programme (SAP), KWATOS and restructuring the procurement function had cross functional team members mainly from procurement, engineering, finance, human resources, information technology and operations departments. Respondents provided evidence for team spirit which included shared communication through group e-mail addresses such as [kwatosteamleaders@kpa.co.ke](mailto:kwatosteamleaders@kpa.co.ke), [sap\\_business\\_analysts@kpa.co.ke](mailto:sap_business_analysts@kpa.co.ke), and [procurement\\_staff@kpa.co.ke](mailto:procurement_staff@kpa.co.ke). In addition, information sharing amongst members of the change group is through regular review meetings and conversations. All general managers held regular Wednesday meetings whereby heads of department established under their division detailed them on changes they were implementing. The so called breakfast meetings were held every morning chaired by the Managing Director in which heads of department provided briefs to the

Managing Director and divisional heads about work performance and change implementation. Where regular reporting amongst change team members was necessary they were equipped with telephone sets to enable information sharing and rapid response to emergent change management issues.

Negative sub cultures found to subsist within KPA included perceptions of ethnic prejudices manifested in such vices as biased nomination to change roles, training, and other benefits. There were also vested interests exhibited as deliberate withholding of change information which should otherwise have been shared among change agents or employees. It was noted that the people involved had special concern in maintaining or promoting situations for private gain. Further, in this regard the researcher found evidence of employees said to be under disciplinary procedures; interdicted or suspended and others dismissed from duty. In an October 2011 management letter from the Kenya National Audit Office, Government queried to why a number of staff who had defrauded the corporation and customers were dismissed then later reinstated. It was observed that some employees found their way back in service due to ethnic prejudices and vested interests.

Analysis of both primary data and documentary reviews showed evidence of negative sub-cultures among informal groupings of unionizable cadres. Their values and beliefs existed in form of slogans which gave the general idea of how they perceived themselves. They assertively believed that given the Indian Ocean will never run out of water, port business will always be there. Under these circumstances, they considered their employment secure. Their main motivation was stated to be preservation of personal interests and schedules. They supported change initiatives as long as their interests were not threatened. For instance, informal groupings were depicted to be largely responsible for the failure of the seven day working system

introduced in 2008. According to available documents this change initiative was earlier supported by the Dock Workers Union which signed it off in the collective bargaining agreement. According the KPA Human Resources Manual (2008) employees were entitled to two rest days which could fall on any day of the week. This arrangement enabled rostering of staff to effectively cut overtime expenditure, since official records indicated staff costs ate up to sixty per cent of its expenditure budget. The system was however viewed as a means to denying unionizable staff overtime payments. Informal groupings in operational areas fought to defeat its purpose hence it was no longer functional or had been abandoned in most sections. The negative sub cultures were shown to have been overcome through measures such as awareness creation and sensitization, co-option, involvement and even veiled threats hence had dismal effect on overall change implementation process. For instance, it was found that when the unionists raised concerns in advance of the organizational restructuring process, they were co-opted into job evaluation as active participants. They worked alongside management staff who had earlier been nominated for the exercise. In extreme cited cases it was showed that when employees proved real obstacles to needed change, they were transferred to low activity or less effective roles. The Inland Container Depots in Nairobi and Kisumu, Lamu Jetty, Bandari College and Kapenguria Workshops were generally regarded as correctional grounds.

The corporation had evidence of follow up mechanisms to guard against return to old way of doing things after needed change was implemented. These included action taken to sensitize and create continuous awareness amongst management and unionisable employees. Change implementation teams were formed of credible – people who were available and willing to work through the change process, with the relevant technical knowhow and competence. While general managers and departmental heads recommended members to the composition of change



implementation teams, approvals came from the managing director. An employee who received a letter from the managing director felt honoured. This provided motivation and power to implement change the best way possible. Approaches used when employees demonstrated genuine fears of loss due to the needed change programmes were guidance and counseling, negotiations and regular briefings. Focus was to sell the change concepts, allay fears and as much as possible get the critical mass towards total ownership of the change.

Refresher courses, encouragement, appreciation like a pat on the back, recognition of efforts of change agents, joint reviews of work, training and re-training and celebration of milestones ensured no sliding back to the old ways of doing things after change implementation. For example, KWATOS awareness and sensitization was launched as part of regular Bandari College programmes. It targeted to continuously sensitize all employees in operations departments on importance of the system. End users were trained before the system was commissioned. To deepen awareness and support for the changes within Kenya Ports Authority, sensitization messages were printed on all employees' monthly pay slips. Regular internal audits and third party surveillance audits carried out by national standards body Kenya Bureau of Standards on implemented changes. It was observed that they emphasized adherence to standard operating procedures, up to date documentation and continual improvement in internal processes and customer service.

In all successful changes, top management support was manifest in institutionalizing effects by prescribing critical requirements as mandatory. For example, procurement orders for materials or services were processed only with documentary evidence of approval such as an action memo of the Executive Committee of Management (Excom). In addition, regular communication of new policy changes such as management circulars, procurement procedures, project progress

dispatches, port updates from human resources and corporate services departments served as constant routine employee reminders on need to support change. In this regard, it was noted that the intranet posed a very important information tool. The group e-mail address [allusers@kpa.co.ke](mailto:allusers@kpa.co.ke) targeted all employees hence communication flow was enhanced. Deliberate interaction between managers and unionists enabled articulation and realization of change objectives. It was also observed that workplace visits by the Managing Director and general managers served to build and sustain momentum of changes due to significance of authority bestowed in top management.

#### **4.4 Discussion**

Only a fifth of those interviewed seemed to have an idea of the core values as presented in the corporation's customer service charter. The business paradigms which the KPA community wanted to be known for were customer focus, integrity, teamwork and care for staff, surrounding communities and sensitivity to the environment. The general lack of awareness of the documented core values amongst employees confirmed findings that the perception of employees with regard to rationale for change was that goals were set at the top. Planning for changes was centralized hence lacking in participative decision making.

The change sponsor was found to be the Managing Director who through the general managers exercised directive leadership over departmental heads. Communication was top-down with room for participative leadership to enable sharing of feedback from the lower level employees. In case of government change directives the Managing Director was the one who received the circulars, endorsed appropriate responses and approved action memos.

Customer focus as a shared value was found to be the core competence which when hinged on service excellence as the key to operations could enable Kenya Ports Authority secure competitive advantage over other ports. The nature and complexity of changes dictated whether the culture of managing change was with centralized or decentralized authority. For large sensitive and complex projects such as the integrated security system (ISS) and dredging works authority was observed to have been narrowly defined to consist of top management mostly hence authority was centralized. On the other hand management of changes of medium and low risk projects such as implementation of the KWATOS and ISO 9001:2008 quality management systems was left to change agents from middle management. However, the Managing Director or one of the general managers by delegated authority evaluated change implementation through change steering committees. The general managers or divisional heads were directly answerable to the Managing Director. Change steering committees were observed as multi-skilled since they comprised technical representatives whose input was relevant to their functionality. This way, top management exercised strict control and focused on the financial and other critical criteria. The project team effectively participated in the change steering committees through the project manager who is usually its member or secretary although as individuals they may not exercise much self-control.

The prevalent culture of KPA managers and union employees was found to be that of them versus us mentality. They don't possess same values and beliefs as they usually do not speak with one voice when change is to be implemented. Interestingly, managers viewed unionists as beneficial to the extent that they were the bulk of workforce through whom they produced change results. Managers appreciated that unionists engaged in hard work some of which bore health risks. These perceptions often portrayed managers as docile in the face of unionists. It was

observed that in major changes such as structure reviews where sacrifices were necessary, unionists were unco-operative. The latter saw managers as disruptive towards attainment of their objectives.

Unionists were described as combative, frowning at any changes that adversely affected their earnings and free times to the extent of becoming militant without considering causal factors. In the recently concluded changes in the organization structure, unionists pushed for creation of new higher positions for every existing staff and not for every available job. Some managers whose sections shrunk in capacity were physically barred from accessing their offices. Managers analyzed the situation as that of mistrust whereby even a simple job allocation to unionists was met with demands for written instructions.

The dysfunctional change management perceptions between managers and unionists were seen as a result of the disparity in education levels which played a big role in discussions and decision making. Majority of unionists were not well educated hence tend to be mediocre and emotional. Change management therefore lacked total ownership by unionists and was faced with mistrust of the union by management. It was noted that all major changes included mandatory training and familiarization programs among their milestones.

Culture was considered as an important factor during change implementation. There was evidence that restructuring of the procurement function faced problems from suppliers; aided by KPA own staff who were against change due to vested interests unaware that non-adherence had legal penalties.. The corporation embarked on training and awareness creation of all procurement staff together with others from user departments. These included engineers, expenditure clerks and administrators involved in procurement. It enabled KPA attain critical mass of employees

who would soon ground the changes envisaged in the Public Procurement and Disposal Act, 2005 and its regulations, 2006.

Operations employees were sponsored by the corporation to travel in familiarization tours to high performance foreign ports such as Singapore and Antwerp. They were depicted by respondents as having returned with renewed zeal towards attaining world class standards in cargo handling targets. Change management training was usually conducted to managers who had the capacity to train their juniors. Unionists who appeared with smart ideas were allowed to feature in change implementation roles.

Wherever informal groups raised concerns about necessary changes, management gave them a hearing. This way, they accorded dissenters the chance to appreciate benefits of the change as well as participate in implementation. On a number of cases where the concerns were due to ignorance or inappropriate attitude, training was provided. For example fifteen KWATOS change team members were sent for training in Korea in October, 2012. All SAP super users benefitted from comprehensive training in South Africa. The researcher found training offered at overseas sites to be widely used within KPA as practice to create quick buy-ins and enhance readiness for major changes. It also provided personal leverages in the form of financial rewards and overseas travel prestige.

Employees involved in successful change initiatives saw themselves as shapers of context that is Kenya Ports Authority. They no longer pride themselves as system analysts, technocrats, superintendents, departmental heads and unionists but have a sense of belonging to the changes. They have accepted the rules and regulations as set by the corporation for operating the new systems and procedures of work on day to day basis. This was evident in motivation of change

agents who felt honoured to continually deliver change objectives. Officers in integrated SAP system were trained and displayed competence in the area in managing the electronic system. They freely imparted system information to others at the training room and their offices. Employees in the operating KWATOS system were beaming with pride that the provision of efficient services was as a result of their effort and time well spent. There was evidence that following the system, cargo dwell time reduced from eight days to two and half days because of the seamless submission of documents through electronic data interchange (EDI) in a paperless environment.

The comprehensive KPA organizational structure changes of 2012, enhanced ownership of KWATOS because it allayed employee fears that the system would reduce employment opportunities. Employees accepted it as necessary move from manual to automated business processes. There is positive perception about information technology changes because KWATOS indeed led to creation of new job positions which were hitherto non-existent. Two positions of Principal Operations Officer in charge of management information systems were created at conventional cargo and container terminal operations departments. They had their associated offices cascading from them, all due to the success of KWATOS change implementation.

Implementation of ISO 9001:2008 quality management requirements was underscored as having brought in a sense of ownership of working procedures at the shop floor. Employees were observed to appreciate competence and competition. In marine and container terminal engineering departments, data analysis of availability and reliability of equipment showed continual upward trends. Scheduled maintenance plans and standard operating procedures were

being followed. Maintenance managers confirmed they were less stressed unlike before when they were under pressure to avail equipment on continuously emergency basis.

Good performance contract results for the year 2010/11 enabled payment of annual bonus to all employees. In addition, in July 2012 KPA management accepted union demands for salary increase and other benefits based on the positive results. As such the unionists were challenged to maintain and further improve productivity. Managers were observed to walk the talk. Safety officers no longer saw a breach of safety and left it unattended. For instance evidence showed a rider who held his bicycle with one hand while talking on his mobile phone was stopped and cautioned. An occurrence book record was entered against his name. Change programs on safety had particularly changed people's perceptions, attitudes and behaviour. There is departure from the notion that safety matters were the preserve of safety officers. There was evidence that employees sent unsolicited emails to the safety change team address [safetyofficers@kpa.co.ke](mailto:safetyofficers@kpa.co.ke) requesting attention on safety breaches at their place of work. This was found to have implied that safety culture was creeping into the minds of KPA employees. The culture of environmental care was boosted by the department in charge of environmental conservation which had invested in pollution control equipment as well as yard cleaners. Training on environmental issues and regular environmental audits changed the mind sets of staff on conservation of safe working environment. Top management held monthly budget review meetings in which change managers explained expenditure variances and corrective actions determined. Minutes of these meetings and follow up actions portrayed a culture of cost consciousness during change implementation.

From the foregoing, successful changes in Kenya Ports Authority were shown to have changed people's attitudes and perception positively. This was found to concur with the explanation by Bridges (2003) to the effect that the impact of organizational changes was of varying intensity

from no change, incremental change then continuous change. For example, no change was observed in the time management module of SAP system, rebranding strategy and electronic queue management system. These projects had no meaningful implementation. Incremental change was evident in implementation of the ISO 9001:2008 quality management systems and restructuring the procurement function whereby results of subsequent audits exhibited improvements in achievement of targets. Continuous change was cited in acquisition of new equipment and information communication technology projects.

Through this case study it was found that Mullins (2005) was factual in his statement that top management has a responsibility for the underlying philosophy and attitudes of the organization, for creating and sustaining a healthy climate and establishing appropriate and supportive organizational processes. Further, the corporation's change methods and practices were found to depend upon teamwork which determined the willing and effective co-operation of staff, managerial colleagues and unionists. Indeed success in KPA changes occurred with the involvement of all people in decision making after they were made fully aware of the problem as recommended by Kotter and Rathgeber (2006). This was also observed to be the main reason behind employees being focused on customer requirements and whether the technical competence of change agents was appropriate to deliver the desired efficiency.

Being a large organization, the KPA inevitably faced a myriad challenges which as Bukusi (2004) explained required great effort to realize return on investment in corporate culture. The challenge to its leaders was analyzed as asserted by Conner (2006) being beyond determining what needs to be done differently. This was mainly attributed to the corporation's change managers who lived up to the expectation advanced by French (2003). He highlighted the role of effective leaders as being that of reframing the thinking of those whom they guide and enabling



them see that major changes are not only imperative but also achievable. The same view was advanced by Mckean (2009) who emphasized that effective change programmes in place were supported by organizational culture.

Just as Mullins (2005) emphasized, evidence from the corporation indicated that its activities were not managed on the basis of technical efficiency alone as it would unlikely lead to optimum improvement in organizational performance. As such, managers were found to understand reasons for resistance, nature of resistance and adopted a clearly defined strategy for the initiation of change. That was mainly cited as the background of KPA communication strategies, specialized training programs and other strategies like co-option and negotiation with unionists. The main idea of the measures was the need for change in the people, attitudes and skills (Dessler, 2004). It was also found that by engaging with the unionists the corporation management acted as advised by Wehrich and Koontz (1993) who described conflict as not only dysfunctional but also beneficial because it may cause an issue to be presented in different perspectives.

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

### **5.1 Introduction**

This Chapter summarizes the research findings whereby the objectives were to establish the dimensions of culture within Kenya Ports Authority and how they effected change management and the strategic measures the corporation had employed to deal with cultural influences. It also presents conclusions made following the findings of the study. In addition, limitations encountered during the research as well as recommendations based on the results have been pointed out. Further relevant research possibilities have also been recommended.

### **5.2 Summary of Findings**

The first research objective was fulfilled to the extent that cultural dimensions that influenced strategic change implementation were established to be top management support, customer focus, efficiency, competence and teamwork. These were analyzed as major cultural dimensions even as evidence showed them to be the core values being widely shared and intensely held. They provided a sense of identity and solidarity needed during change implementation.

Secondly, the strategic means employed by Kenya Ports Authority in response to cultural influences were identified. They comprised involvement of credible practitioners in change teams, continual top management backing for needed change, regular briefings and updates, co-option, sensitization and specialized training, counseling, negotiation and celebration of milestones as well as veiled threats. The measures were found appropriate to enhance needed change. In this regard, sub cultures namely ethnic prejudices, vested interests and slogans of informal groups were found to have had dismal effect on the desired strategic direction.

### **5.3 Conclusion**

Realistic responses to research questions were obtained from employees who were involved in implementation of changes. Observations and findings were derived from plans and records of actual changes that took place within Kenya Ports Authority. The case study approach and content analysis enabled contextual focus and finally the research objectives were achieved. The researcher identified organizational cultural influences and how they affected strategic change implementation. Measures taken by the state corporation to institutionalize needed changes were clearly enumerated.

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

The main limitation was that during administration for the interview guide, some respondents could not express themselves clearly. The resultant apparent ambiguity slowed down the research. To overcome this challenge, the researcher requested respondents to reframe their answers while allowing adequate time for interviews. Further, so as not to obscure the respondents intended meaning, the researcher read out what was recorded as the interpretation of the interviewee's response for their concurrence.

Accessing some change information considered confidential such as audit records and project documentation was another limitation. This was especially so where the respondents were not themselves the custodians of the files containing relevant documents. They had to get them from their departmental central registries which often took longer time to retrieve than anticipated.

## **5.5 Recommendations**

The Kenya Ports Authority management will find the results of this case study to inform the work of ongoing and future change projects to enhance delivery of its business plan 2012-2015. Notably, it was found that the corporation's documented set of core values or the organizational culture it wanted to be known for was formulated by top managers and not effectively communicated to management colleagues and unionists. The core values identified in this research paper were however as a result of thorough analysis of both actual primary and secondary data collected from within the corporation. It is therefore recommended that they be adopted as the corporation's core values as they are widely shared and easily understood.

Since Kenya Ports Authority was not condemned to its culture, there is every possibility that its cultural dimensions will change significantly in the near future. Replicative studies will be feasible after commissioning of the second container terminal in Mombasa. It will particularly be interesting for research find out if the sub cultures of ethnic prejudices, vested interests and slogans of informal groupings would still exist in Kenya Ports Authority after these two monumental maritime industry changes come to full physical and operational effect.

A validation study will confirm the findings and conclusion of results of this research. A cross sectional study will be viable to identify and compare cultural influences prevalent on strategic changes amongst ports in East Africa.

Other recommended areas of research are on handling employee stress and organizational conflict modes during strategic change implementation within the Kenya Ports Authority or other contexts.

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## APPENDIX I: INTRODUCTION LETTER

Anderson Mwakio Mtalaki  
University of Nairobi  
School of Business  
C/O MBA Office  
P. O. Box 30197  
**NAIROBI**

August, 2012

Dear Respondent,

**RE: COLLECTION OF RESEARCH DATA**

I am a postgraduate student at the University of Nairobi, in the School of Business. In order to fulfill the Master of Business Administration, MBA, degree requirement, I am undertaking a management research project on **‘The Cultural Influences in Strategic Change Implementation at KPA’**.

You have been selected to form part of this study. This is to humbly request you to assist me collect the data by being available for a personal interview. My supervisor and I assure you that the information will be used exclusively for academic purposes and treated with strict confidence. A copy of the final paper will be availed to you upon request.

Yours faithfully,

**ANDERSON MWAKIO MTALAKI**

MBA STUDENT

UNIVERSITY OF NAIROBI

**DR. JOHN YABS**

LECTURER / SUPERVISOR

UNIVERSITY OF NAIROBI

## **APPENDIX II**

## **APPENDIX III: INTERVIEW GUIDE**

### **MBA RESEARCH PROJECT DATA COLLECTION**

#### **CULTURAL INFLUENCES IN STRATEGIC CHANGE IMPLEMENTATION AT KPA**

1. What are the core values of Kenya Ports Authority (KPA)?
2. What evidence shows the core values or beliefs are widely shared and intensely held?
3. How would you describe the rationale for change within KPA when planning for changes or setting goals?
4. How is change implementation organized in KPA?
5. What evidence can be adduced (to show) that culture is considered as a central factor during change implementation?
6. What is the basis of selecting members of change implementation teams?
7. Who leads change in KPA?
8. How do you generally describe the culture of KPA managers and unionizable staff?
9. KPA is has just offered 80 young recruits employment letters and they are due to take up positions in almost all departments where they meet older employees and customers alike. What values and beliefs would you need them to be familiarized with (first and fast) for them to be effective where they shall be allocated to work?
10. What evidence do you have in your change initiative which shows that employees see themselves as shapers of KPA?

11. What is your view on whether the KPA Managing Director must indicate the direction of every change issue?
12. Considering the culture of KPA as you know it, how does it give unique advantage over other organizations or ports?
13. How was readiness of employees to change you are involved in implementation determined?
14. KPA finds that, while it is tolerating groups or individuals raising concerns about the change initiative you are implementing, the discharge of KPA mission i.e. to facilitate and promote global maritime trade through provision of competitive port services is bound to suffer. This is because the change is necessary and must continue or the KPA will start operating at a loss. What is going to happen?
15. On a scale of 1 to 10, (where 1 is poor and 10 is excellent) how do you gauge attainment of change objectives (in view of cultural influences) with respect to adherence to timelines, cost considerations, effect of the change on employee perceptions, attitudes and behaviours?
16. You are contacted to state your assessment of whether KPA employees were keen to care for the environment, conserve energy or reduce costs of doing business. What would you say are KPA peoples' mindset on these issues?
17. Which measures has KPA used over the years to ensure implemented changes did indeed stick?
18. What cultural practices in your opinion need to be adopted in KPA to enhance success of changes?

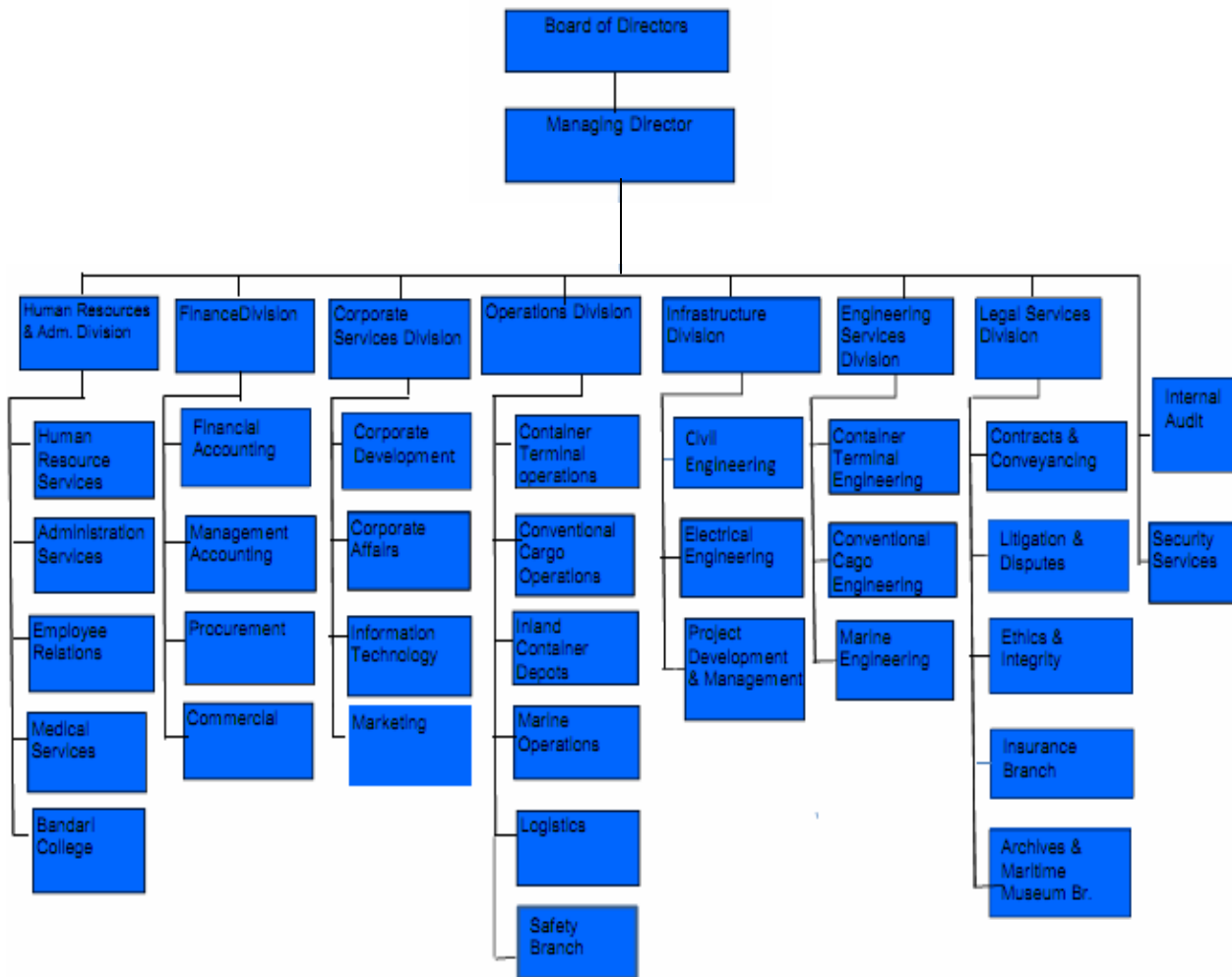
## **APPENDIX IV: SOME KENYA PORTS AUTHORITY CHANGES**

1. Construction of liquefied petroleum gas (LPG) import terminal
2. Delivery of cargo on a 24/7 basis
3. Design and supervision consultancy for the second container terminal
4. Development of new berth number 19
5. Dredge the channel up to 15 meters draft and to widen the turning basins
6. Modernization of Port Power Supply
7. Enhanced safety practices in the port
8. Information communications technology strategy (community based system)
9. Implementation of ISO 9001:2008 requirements in quality management system
10. Installation and commissioning of a new automated fuel management system
11. Installation and Commissioning of a new enterprise resource program (SAP)
12. Installation and Commissioning of Kilindini Waterfront Operating System (KWATOS)
13. Integrated Security System (ISS) project
14. Involvement of private sector container freight stations (CFSs) in cargo handling
15. New equipment acquisition program
16. New Lamu Port development
17. Organizational restructuring
18. Performance contracting
19. Rebranding strategy implementation
20. Restructuring of procurement function
21. Installation of additional reefer points at Mombasa Container Terminal

**SOURCE: KPA Business Plan 2012-2015**

## APPENDIX V: ORGANIZATION STRUCTURE OF KENYA PORTS

### AUTHORITY



Source: KPA Business Plan 2012-2015