

**STRATEGIC CHANGE MANAGEMENT PRACTICES AT THE  
AGENCY FOR COOPERATION AND RESEARCH IN  
DEVELOPMENT IN KENYA**

**BY**

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## DECLARATION

This research project is my original work and has not been submitted to any other University for assessment.

MARY W. MUNJUA Sign ..... Date .....

D61/63286/2010

This project was submitted for examination with my authority as the University Supervisor

Prof. Aosa Sign.....Date .....

## **DEDICATION**

This research project is dedicated to my parents, the Late David Munjua and Mrs. Beth Munjua.

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## **LIST OF ABBREVIATIONS**

ACORD : Agency for Cooperation and Research in Development

HIV : Human Immuno- Deficiency Virus

NGO : Non-Governmental Organization

## **ABSTRACT**

Strategic change management needs to take account of both internal and external factors that affect the implementation of the change programme. It should also make use of appropriate change management models. In strategic change management therefore, organizations adopt various practices in order to ensure that the desired change is achieved. The aim of this study was to establish the strategic change management practices at ACORD. The study had two objectives to achieve: To establish the strategic change management practices adopted by ACORD and to find out the challenges of adopting various strategic change management practices at ACORD. The study adopted a case study research design and data was collected through an interview guide from senior management staff at ACORD. The findings revealed that there are a number of strategic change management practices prevalent at ACORD. They include: formation of working groups during the change implementation process; proper and timely communication of the change to all stakeholders; enhancing the resources to create a stable financial base for the organization; reducing chances of resistance through the working groups and adopting a leadership style that respects the views of the stakeholders. The challenges facing ACORD during strategic change management include: scarcity of finances, resistance to change from the stakeholders, cultural diversity and leadership.



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Strategic change comes about when alterations are made to an organization's functional parts. Many strategic change specialists subscribe to the view that change is an everyday occurrence in any organization; that there is, in fact, no such thing as the status quo for a business that wants to survive (East, 2011). Strategic change can be dictated by business trends, environmental factors and shifts in the global, social and political sphere. It can come about because of the expectations of stakeholders. It can be embarked upon in a proactive and strategic way, or it can be a reactive process in response to a crisis, either within the organization or outside it. It can involve meeting the changing needs of the marketplace, reducing risk, being more environmentally responsible, improving quality, raising customer satisfaction, retaining staff and everything and anything in between (East, 2011).

Those involved in management of change need to ensure that they have established within reason, the exact nature of change they are about to face. They must not lose sight of the fact that change must be viewed as an event capable of causing multiple dislocations to the organization's culture, structure, systems and outputs.

Today's rapid changes within and outside the non-governmental organizations (NGOs) heighten uncertainty about how to meet new challenges and achieve results. In this volatile environment, risk management is a tool for maximizing an NGO's opportunities and minimizing the dangers to success. It enables NGO decision makers to think strategically all the time ("Strategic Risk Management for Developed NGOs,"2005).

Strategic managers are frequently frustrated in their attempts to anticipate the environment's challenging influences. In a recent study involving more than 200 company executives, the issues identified most included domestic competitive trends, end user or target group and technological trends (John and Richard, 1991, p 107).

### **1.1.1 Strategic Change Management**

Strategic change, defined as an alteration in an organization's alignment with its external environment (Rajagopalan and Spreitzer, 1996) has been at the center of a growing literature in both the strategy and organizational theory fields. Strategic change is increasingly seen as not only a shift in structures and processes, but also as a cognitive organizational reorientation (Demarie and Mullane, 1994) involving a redefinition of the organization's mission and purpose or a substantial shift in overall priorities and goals. The success of strategic change will depend not only on an organization's ability to implement new structures and processes, but also on the organization's ability to convey the new mission and priorities to its many stakeholders.

An organization's survival over time often depends on its conforming to normative expectations rather than simply operating with greater efficiency (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Oliver, 1991), the importance of ensuring both understanding and acceptance of new strategies among key constituents is a central element of the legitimacy imperative for organizations.

Managing change has received increasing attention as both internal and external factors accelerate their pace and challenge organizations to respond accordingly. An integral part of strategic change is effective internal communication that corresponds to each stage of the

strategy. Communicating to employees as internal stakeholders is viewed as crucial for the outcome of change programmes. Launching a planned communication strategy for the purpose of informing timely is a prerequisite for fruitful feedback and eventual success (Barrett, 2002). Allowing employees' voices to be heard can develop better understanding about how internal communication can facilitate strategic objectives. Senge (1990) warns that redrawing the lines and boxes in an organizational chart without addressing the way people within the organization interact may be useless. Thus, understanding people's responses to change is instrumental in fostering their support and reaching organizational goals for the sake of mutual benefit.

Managers and employees with no decision-making power however view strategic change management differently. Due to differences of political character, these two types of actors in the change process perceive the communicated strategic objectives in often conflicting ways. In contrast to employees' views, the opinions of senior management and their reason for pursuing strategic change are available through official corporate communication or mass media (Daly et al., 2003).

Therefore, in order to reach full cognition, it is important to illuminate the communication process as perceived also by employees. The significance of the current problem field acquires further proportions, when positioned in the presence of contemporary communication systems. Members of modern organizations enjoy an unprecedented freedom to voice personal opinions both throughout and outside the workplace. The speed of media allows for fast sharing of messages that can affect organizations both directly and indirectly. Therefore, change management needs to effectively listen and communicate with employees (Daly et al., 2003).

### **1.1.2 Strategic Change Management Practices**

Strategic management is designed to effectively relate the organization to its environment. The environments include political, social, technological, and economic elements (Sharplin, 1985). Generally strategic management practices can improve efficiency in various organizations. Various strategic management models were introduced by Sharplin (1985), Greenley (1989), Certo and Peter (1991), Stahl and Grigsby (1992), David (1997), and also Hunger and Wheelen (2003) to manage strategic change. Even though each model of strategic management is different, the actions or activities that are involved are actually similar.

Majority of authors have put strategy formulation, implementation of organizational strategy and strategic control focuses in their models. Planning strategy and environmental analysis phase are also important and most of the authors put this phase under formulation phase (Stahl and Grigsby, 1992; David, 1997). Generally, strategic management process can be divided into three phases, these include the formulation phase is a strategy that aims at ensuring that organizations achieve their objectives (Certo and Peter, 1991). David (1997) stated that strategy formulation include deciding which business to pursue, how to allocate resources without hostile takeovers and whether to enter international markets. He also added that strategy formulation phase comprises development of a mission statement, identification of external opportunities and threats, determination of internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing the best strategy to be implemented.

Second, is the implementation phase that initiates activities in accordance to strategic plans (Sharplin, 1985). This requires firms to establish objectives, devise policies, motivate employees, and allocate resources to execute formulated strategies. Certo and Peter (1991) stated that

without the effective strategy implementation, organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction, and formulating organizational strategy. Lastly, is the evaluation and control phase that requires information to be obtained on strategic performance and comparing it with existing standards (Certo and Peter, 1991)

### **1.1.3 Non-Governmental Organizations in Kenya**

A non-governmental organization (N.G.O) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, N.G.Os perform a variety of service and humanitarian functions. These include bringing citizen concerns to governments, advocating and monitoring policies and encouraging political participation through provision of information. Some N.G.Os are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements.

Most non-governmental organizations in Kenya are funded by private donors, international agencies and the Kenyan Government initiatives. The main areas of concern for these organizations include Health, Housing, Sanitation Food and providing other needs and basic facilities. There is also the issue of Gender inequality, human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS) support and the Adult care as well as charity. Most of these NGOs are health based, improving the livelihood of most Kenyans who live below the poverty line.

Non governmental organizations in Kenya have adapted strategic management practices that fit in with the current issues in Kenya highlighted in the country's blue print vision 2030. These include governance issues, gender issues and climate change.

#### **1.1.4 ACORD International**

Agency for Cooperation and Research in Development (ACORD) is a nongovernmental organization based in Nairobi, Kenya. The aims of the organization includes working to achieve food sovereignty in Africa, strengthening the capacity of women and girls to claim their rights and meet their own basic needs, enabling communities to address the underlying causes of conflict and to build meaningful peace at a grassroots level and promoting understanding, acceptance and support for people living with, or affected by, HIV and AIDS ([www.acordinternational.org](http://www.acordinternational.org)).

ACORD envisions a society in which all citizens are equally able to achieve their rights and fulfill their responsibilities. In order to achieve this vision, ACORD works with more than 2,000 partners and many community groups in the 18 countries in Sub-Saharan Africa. The priorities of ACORD are transparency, accountability and openness to all stakeholders and especially towards the communities with which it works ([www.acordinternational.org](http://www.acordinternational.org)).

#### **1.2 Research Problem**

Strategic change management needs to take account of both internal and external factors that affect the implementation of the change programme. It should also make use of appropriate change management models. In addition, it is important that resistance to change be anticipated and suitable methods be designed to control the resistance (Mugo, 2010). In strategic change

management therefore, organizations adopt various practices in order to ensure that the desired change is achieved.

Both public and private organizations operate in a turbulent business environment in which nothing is constant or predictable. It is imperative therefore, that organisations develop strategies that will position them to succeed regardless of the environmental changes. A critical success factor is how well a company manages its strategic change programmes to achieve its goals. The operations of NGOs are hampered by many factors which thereafter have implications on the autonomy of the NGO. The operational environment of NGOs determines the effectiveness of programmes and projects undertaken and the quality of funding they receive (“The Operational Environment and Constraints for NGOs in Kenya,”2002). Strategic managers are frequently frustrated in their attempts to anticipate the environment’s changing influences. Different external elements affect different strategies at different times with varying strengths (John & Richard, 1991). The dynamic changes that NGOs go through require that they modify ways of responding to the environment. Management of strategic change is therefore very important in ensuring that NGOs go through the change process successfully. Many developed NGOs often alter their strategies, as they shift to rights and result based approaches (“Strategic Risk Management for Developed NGOs,”2005).

Strategic change management is an area that has attracted several studies. Rajagopalan and Spreitzer (2004) carried out a study on the theory of strategic change. The study came up with a theoretical framework for strategic change. Johnson (1992) also conducted a study on management of strategic change. The study established that the social, political, cultural and

cognitive dimensions of managerial activities are important in strategic change management. Stroh (2005) also did a study on strategic management and change.

The above studies focused on strategic change management in the business or for profit organizations hence giving little attention to the NGO or not for profit sector. No study has so far been conducted on strategic change management at A.C.O.R.D. This left a research gap that needed to be filled. What are the strategic change management practices adopted by A.C.O.R.D?

### **1.3 Research Objectives**

The study aimed to achieve the following objectives

- i. To establish the strategic change management practices adopted by ACORD
- ii. To find out the challenges of adopting various strategic change management practices at A.C.O.R.D

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

This study will enable the management of ACORD to better understand the challenges involved in strategic change management. This will assist them to adequately prepare how to counter the challenges so that they can be able to succeed in strategic change management

Other NGOs will also be able to understand the concept of strategic change management, how it happens and the major constraints that organizations face when going through strategic change. This study will be therefore serve as a benchmark.



The findings of the study will also add some knowledge to the existing body of knowledge. This will benefit future researchers who will be able to refer to this study as they conduct more studies in strategic change management.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter gives an account of the knowledge and ideas that have been published by accredited scholars and researchers on Strategic change, strategic change management practices and the challenges that have been experienced in managing change in organisations.

### **2.2 Overview of Strategic Change**

In today's turbulent environment of organizations, strategic change has become synonymous with standard business practices as long-term organizational ends have to be reformulated on an ongoing basis (Dutton, 1988). According to Hambrick and Fredrickson (2005), strategic change deals with the changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy. Worley, Hitchin and Ross (1996) point out that strategic change involves deciding what to change, how and when to change specific elements of one's strategic orientation.

In simple form strategic change is a way of changing the objectives and vision of the company in order to obtain greater success. This change according to Balogun and Hailey (1999), may be driven by management fads such as culture change, business process engineering, empowerment, total quality, dramatic changes within the environment, declining organizational performance, or even both. Other change initiatives may be driven by the need for organizations to reposition themselves in the face of changing competitive conditions.

There are different type of strategic changes which can be applied to different organization with respect to the situation and problem that they are facing at the time. These changes can be

arranged into four major categories: transition to a global economy, changing industry structure and competitive conditions, suboptimal or declining organizational performance, and stakeholder initiatives. In all these changes, it's important to manage the speed of the change, since being late in implementing the change may make the change less efficient as it could have been. The speed of change can be continues over time or can be done all at once. This requires transformation which consists of changing organization culture as well as realigning the entire organizational performance (Naghibi and Baban, 2011).

According to Kotter (1995), strategic change management as a process goes through a series of different phases that require a considerable length of time. These phases correspond with Lewin's (1952) three phase change process of unfreezing, moving and freezing. In the unfreezing-phase, it is important to create a sense of urgency (Kotter, 1995) so that individuals are ready to change. Armenakis, Harris and Mossholdern (1993), describe readiness to change as the organizational member beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization's capacity to successfully make those changes. Expounding on Lewin's ideas, Schein (1996), assert that the key to unfreezing is to recognize that change, whether at the individual or group level, is a profound psychological dynamic process.

Schein (1996) further identifies three processes that are necessary to achieve unfreezing: disconfirmation of the validity of the status quo, the induction of guilt or survival anxiety and creating psychological safety. According to Schein (1996), unless sufficient psychological safety is created, the disconfirming information will be denied or in other ways defended against, no

survival anxiety will be felt and consequently, no change will take place. In other words, those concerned have to feel safe from loss and humiliation before they can accept the new information and reject old behaviors. During the implementation process (the second changing-phase and the third re-freezing-phase), the active support of workers is essential (Armenakis & Bedeian, 1999). When people are invited to participate and when their ideas are taken seriously, their commitment to the change process will increase. Commitment takes place as organizational members embrace a proposed change.

There is no certain magic formula for strategic change. However as pointed out by Naghibi and Baban (2011), for the change to be great and useful to the organization, it must be understood by all people in the organization. Worley, Hitchin and Ross (1996), point out that strategic change encompasses four basic steps as follows: strategic analysis, strategy making, strategic plan design and implementation of the plan. According to the authors, strategic analysis entails the analysis of an organization's external environment, its current strategic orientation, and the degree of its effectiveness at meeting its objectives and mission. Strategy making begins with the firm decision to change its vision and orientation in the future and includes defining the products and services to be offered, specifying the markets to be served, developing a position to be competitive in those markets, and assessing the underlying organizational processes and culture that will either enable or inhibit the change.

On the other hand, strategic plan design defines how the change process will be logistically accomplished through sequencing and pacing in light of the prevailing culture as well as anticipated resistance; and the implementation of the plan entails the transition to the new

orientation which includes developing budgets and timetables, assigning roles and tasks that will guide the process, garnering commitment to ensure that there is a high level of ownership in the process, communicating to ease uncertainty, and allocating resources for support.

### **2.3 Change Management Practices**

The business environment requires continuous improvement of business processes that affect productivity and profitability. This, in turn, requires organizations be open to and ready for change. In order to succeed, strategic change management must be carried out properly by ensuring that all stakeholders are included in the process from the beginning. Devos, Vanderheyden and Van Den Broeck, 2000; International, Inc. 2008), identify the following variables most likely to be related to change commitment: change identification, engaging the people, support of top management, making a communication a top priority, time and line leadership.

While it seems obvious, identifying the change is an absolutely fundamental first step in successful change adoption. It is important that the changed condition be described in a common, consistent language. However, organizations often fail to identify and communicate the need for change in a way that is understood and embraced by people working at all levels of an organization from the executive suite to the individual workstation. Many leaders do not adequately consider how a proposed change may be received at an intellectual, emotional and neurological level by the people it will impact the most (International, Inc. 2008).

To ensure successful change, organizations should introduce a change effort during the identification stage. The best way for leaders to make a compelling case for change is to consider the need for change at every level in the organization, not just at the top tier. The top level need for change is almost always driven by bottom-line goals, and does not touch the day to day work experience of the organization's staff (International, Inc. 2008).

Once a change has been identified and approved, the next step is to create a change advisory board that includes representation from every user group within an organization. The board reviews all change requests and approves or denies each request based on completeness, readiness, business impact, business need, and any other conflicts. The board should review each change in order to ensure all associated documentation is complete, based on the risk level. The board should equally consider business impact and requirements when reviewing change requests. The board then should communicate details of the change by setting expectations, aligning support resources, communicating operational requirements, and informing users.

The risk level and potential impact to affected groups, as well as scheduled downtime as a result of the change, should dictate the communication requirements (Callicutt, n.d.). Successive levels of the organization must be included in a dialogue to help design an implementation plan. People within an organization must be allowed an opportunity for intellectual, emotional and psychological reaction to the desired change. Providing this opportunity enables people to become accustomed to the idea of change and to align their thinking in ways that will help both identify potential problem areas and contribute substantively to process improvement (Koch, 2006).

For strategic change success, the change strategies identified during the identification of change and engagement of people should be translated into tactics, or actions, for moving toward the desired future organizational state (International, Inc. 2008). Here, as pointed out by Rock (2006), people are critical to how processes and technology are created and implemented. They have direct, daily experience with these processes and consequently, they are most knowledgeable about how these components must be customized for the best results. On the other hand, without the proper alignment of people's disturbances and their response to a changed condition, successful adoption rarely occurs.

Top management behavior is another important component in the change process. Establishing and communicating a need to change is one of the first important steps to follow in implementing change (Armenakis & Bedeian, 1999). In major changes, the head of the organization is key in this communication process (Kotter, 1995). Organizational members will not take change efforts serious, if top management does not actively support the change process. The development of a sense of urgency and a vision that is relatively easy to communicate and appeals to employees is an important element in this process. Organizational change is also less successful when top management fails to keep employees informed about the process of change. If employees get the feeling that those in power lose interest in the ongoing process, their belief in the transformation efforts will fade out.

Successful strategic changes equally need a powerful guiding coalition. This powerful coalition requires line leadership that goes beyond the support of top management. Groups without strong line leadership never achieve the power that is required (Kotter, 1995). Moreover, line managers

have to translate the general goals of organizational change efforts into specific departmental objectives (Kanter et al., 1992). Organizational transformation often implies a change in the tasks of line managers, their personal leadership style and their social relations with subordinates. The leadership style of line managers during the change process remains an important element to be monitored during the change process. The active support, the ability to confront the new challenges and the ability to support subordinates adequately are all crucial elements of this line leadership.

Another important factor that should be considered in strategic change management is time. Time plays at least in two ways a central role in the change process. First, implementation of change goes through different phases. These phases take time. Common to all the implementation models is the message that efforts to bypass these phases seldom yield a satisfactory result (Armenakis & Bedeian, 1999: 303). Second, major change efforts demand hard work, permanent attention and perseverance. When organizational members are faced with too many changes at the same time, they cannot allocate their time properly to all of the changes and continue their daily tasks at the same time. There is not enough time to test the recommendations (Galpin, 1996) and to explore new behaviors (Jaffe et al., 1994). In the end, the change project fails and employees become cynical towards the announcements of new change projects (Wanous, Reichers and Austin, 2000).

## **2.4 Challenges of Strategic Change Management**

Change usually involves the introduction of new procedures, people or ways of working that have a direct impact on the various stakeholders within an organization. This leads to a number



of challenges that manifest themselves under different names or other guises. Each of these challenges is unique, yet they are simultaneously independent and interrelated. Overcoming any one independently is insufficient for realizing sustainable change. For change to be successful in the knowledge economy, an organization has to overcome all the challenges. According to Dalziel and Schoonover (1998), failure to recognize barriers that arise from cultural or organizational conditions can severely impede implementation and acceptance of a change. Some challenges to strategic change management as pointed out by Dalziel and Schoonover (1998), are: incompatibility with the new organizational structure i.e. outdated technical, operational and physical environment, and formal and informal company traditions.

Ineffective change management sponsorship from senior leaders has also been identified as the primary challenges of strategic change management. An absent, invisible or unengaged sponsor sends just as strong of a message to employees about the importance of a change as an engaged and active sponsor. Another challenge is lack of resources and funding available to conduct the necessary planning and implementation of strategic change management (Green and Cameron, 2009). Research shows that when there is change management resources dedicated to a change initiative, the project is more successful. Without a dedicated change management resource, change management activities slip and there is not a single point of contact focused on the people side of change (McMillan, 2008).

Employee resistance is another challenge. Employees resist change most often because they lack awareness of the need for change and they fear the impacts of the change. Poor communication is also another challenge. Poor communications tend to share in-depth details about the project

such as status updates and development rather than the rationale for the change, and are often delivered by someone other than the preferred senders such as a project leader or communication specialist (Dalziel and Schoonover, 1998). Equally getting senior executives and project teams to buy in to the need for change management and realize the financial benefits of change management is a another challenge. Without full support or understanding around the necessity for change management, change management is often either brought on to a project too late, under tasked only with communications and training activities, or not utilized on the project at all (Galavan et al., 2008).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discusses the methodology that the researcher employed in the study. The methodology included the research design, data collection methods and data analysis techniques.

### **3.2 Research design**

The study adopted a case study design in investigating the management of strategic change at ACORD International. Kothari (1990) describes a case study as a form of qualitative analysis that involves a careful and complete observation of a social unit. He further describes a social unit as a person, family or institution. The researcher has adopted a case study because of its contribution to the knowledge of individual, group, organizational, social and political phenomena.

Case study has been a common research strategy in business (Ghauri & Gronhaug, 2002) and community planning. The distinct need for case studies arises out of the desire of the researcher to understand the complex social phenomena. Case study method allowed the researcher to retain the holistic and meaningful characteristics of the real life events such as individual life cycles, organizational and managerial processes (Robert, 2002).

### **3.3 Data collection**

Primary data was collected for the purpose of this study. Primary data is information gathered directly from the respondents (Kothari, 2004). The data was collected by use of an interview guide. Interviewing is a way to collect data as well as to gain knowledge from individuals. Kvale

(1996) regarded interviews as an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social impact of research data.

The interview guide was considered appropriate for this study since there was need to gain an in-depth understanding of change management at ACORD International and this can only be achieved by conducting interviews. The interview guide contained two sections: Section A sought data on the strategic change management practices while section B solicited data on the challenges encountered in adopting the strategic change management practices at ACORD.

The researcher personally conducted the data collection exercise through face to face interviews with the respondents. The respondents were senior managers drawn from various departments in the organization and who have taken the lead position on the execution of the different strategic management practices adopted by the organization.

### **3.4 Data analysis**

The researcher collected qualitative data. Content analysis was used to analyze the data. Nachmias and Nachmias (1996) define content analysis as any technique used to make inferences through systematic and objective identification of specified characteristics of messages. Kothari (2004) also explain content analysis as the analysis of the contents of documentary and verbal material and describes it as a qualitative analysis concerning the general import of message of the existing documents and measure pervasiveness.

Before embarking on content analysis, the researcher assessed the written material's quality to ensure that the available material accurately represent what was written or said.

The researcher then listed and summarized the major issues contained in the interview guide responses. This enabled her to structure the data in a way that can make it possible to analyze and interpret it.

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

### **4.1 Introduction**

This chapter presents the findings and interpretation on the strategic change management practices at the Agency for Cooperation and Research in Development in Kenya (ACORD). Primary data was collected by the researcher through interview guides. The qualitative data was subjected to content analysis and the researcher made inferences from the views of the respondents in order to come up with is report. The study had two objectives to achieve: To establish the strategic change management practices adopted by A.C.O.R.D and to find out the challenges of adopting various strategic change management practices at A.C.O.R.D.

### **4.2 Strategic Change Management Practices**

The researcher sought to investigate from the respondents the various strategic change management practices at ACORD. The researcher asked the respondents several questions regarding strategic change management practices and they gave their views on the same. For instance on the circumstances under which change management is essential at ACORD, the respondents gave several views. The study established that ACORD has gone through strategic change management in a number of occasions. The first such occasion was during the Africanization of the organization. The study confirmed that ACORD was first formed in 1970 in Geneva Switzerland where leaders of Non Governmental Organizations met to discuss how to handle the consequences of drought in Sahel.

It was clear from the findings that the meeting in Geneva Switzerland in 1970 and another subsequent one in 1976 led to the formation of Euro Action ACORD. This was a Pan European operational NGO that served its founding members who were already members of the consortia. The respondents indicated that with time the Europeans based ACORD started to spread its operations to Africa hence there was need for the organization to identify itself not as a northern coalition but an African initiative. The findings indicate that change was vital during this time in order to give the organization an African identity.

The study also established that ACORD has had to engage in strategic change management especially when the organization faces financial insecurity. The findings confirm that ACORD there are occasions and situations when the organization does not have enough funds to run their projects. In times like this, the study confirmed that the organization has to involve strategic change management in order to sail through such turbulent times. It was evident from the study that there was a time when the organization faced imminent collapse due to financial insecurity. The study confirmed that it took a combination of various change management practices in order to bring the organization out of economic collapse. The respondents indicated that the organization had to conduct programme reorientation, frequent face to face meetings with donors and some restructuring in order to go through the change.

The findings confirmed that change must first be identified as an absolutely fundamental first step if success in the change process has to be achieved. The respondents indicated that wherever there is a challenge that threatens the sustainability of the programs that are being implemented by ACORD, the organization knows that the only way out is proper strategic

change management. The study confirmed that the senior management at ACORD knows very well that without change, they can achieve little in their projects. This was therefore the reason that makes them to identify change as a very important first step in strategic change management process.

The study also sought to find out what ACORD considers concerning the various stakeholders in its strategic change management process. It was clear from the findings that ACORD considers three types of stakeholders when dealing with change management process. The researcher observed that the employees of ACORD are very critical in strategic change management. The respondents confirmed that the employees are the ones charged with the responsibility of implementing any desired change in the organization. It was revealed that good communication and sensitization of the desired change to the employees is very critical to the success of any change process at ACORD. The findings also revealed that employees have to be trained concerning the desired change so that they can effectively take part in implementing the change.

The second group of stakeholders the study found to be relevant in the strategic change management at ACORD were the donors and partners of the organization. The findings confirmed that the organization considers the partners and donors as the main drivers of most of the projects undertaken by ACORD hence the need to keep them informed of any change the organization intends to make. The donors for instance provide the financial capacity to the organization and they must be involved in any change process from the initial stages. The findings also indicated that the beneficiaries of the projects that are undertaken by ACORD are also important in strategic change management. The respondents argued any project undertaken



by the organization is aimed at benefiting some people in the society. It is therefore important for them to understand any change that takes place in the organization.

The study confirmed that for the last five years, ACORD has adopted various strategic change management practices. The first such practice is change of organization structure. According to the respondents, the organization needed a leaner structure hence most departments had to be merged in order to achieve this strategic objective. The other strategic change management practice that was identified was inculcating the need for transformational leadership among the employees of the organization. The organization encourages the employees to practice transformational leadership in order to succeed in implementing change. The study also found out that ACORD gave priority to building a strong resource base in the last five years in order to ensure its long term financial security. Another practice that came out clearly from the study is the use of a change process task force. The organization forms a task force to draw a road map of the desired change and its implementation. It was further confirmed from the study that the senior management in the organization is the one charged with the responsibility of reviewing the strategic management practice adopted.

The findings confirm that the most successful change management practices include changing ACORD's organizational structure. The respondents confirmed that the organization structure change involved combining departments with the aim of reducing management layers. It was revealed that this was successfully achieved with least impact on the beneficiaries of the projects undertaken by the organization. The findings also revealed that good communication,

sensitization and training of employees have also been very successful in the change management process at ACORD.

It was also significant for the researcher to find out from the respondents how ACORD as an organization evaluates the impact of change in its operations. It is evident from the views of the respondents that the organization sets up working groups of employees. These working groups perform specific tasks related to the change being implemented. There are targets that each group has to meet. The groups are evaluated against the set targets on a regular basis to establish the level of achievement attained by each of the groups.

The respondents were asked to indicate how change was communicated to the employees since it was such very important in keeping various stakeholders informed of the progress. The findings confirm that formation of work groups is very important in the communication of change. It was revealed that once work groups are formed, procedural communication to employees is undertaken. The use of work groups ensures that all employees in the organization have access to similar information concerning the change being implemented.

Potential problem areas can easily stall the strategic change implementation process. If an organization going through change can be able to identify and deal with potential problems, then it becomes easier to go through the change process. This study investigated from the respondents how ACORD identified problem areas during process improvement. The findings clearly indicate that the working groups that are formed during the strategic change process are very instrumental in identifying problem areas. The study established that the working groups are

given the opportunity to give their views and ideas as well as point out the challenges the organization is facing.

The researcher sought to find out from the respondents how time factor impacted on ACORD's strategic change management practices. The study confirmed that the organization provides timely communication to all the stakeholders. This enables the stakeholders to give their suggestions and reactions where possible. It was revealed that by giving timely information to the stakeholders, the organization is able to reduce possible resistance to change from the same stakeholders.

#### **4.3 Challenges of adopting various strategic change management practices**

Finances are often cited as major challenges hindering strategic change management in many organizations. This study also sought to find out from the respondents the role played by finances in strategic change management at ACORD. The respondents indicated that lack of finances or shortage leads to poor implementation of the change process. It also leads to compromising organizational values as well as distorting the identity of the organization.

The study revealed that the leadership of ACORD for a very long time had been largely European or North American. This used to happen at a time when the organization used to operate only in those regions. The respondents confirmed that since the organization since the organization was Africanized, the leadership of the organization had to change too. This saw the installation of the first African woman leader at ACORD. It was revealed that this leadership brought about coherence in leadership and structures were put in place.

There is a possibility that cultural diversity in the organization may be an impediment to the implementation of change. The researcher wanted to know from the respondents whether cultural diversity has had any impact on the implementation of change in the organization. It is evident from the findings that ACORD is identified as an organization with several diversities. The respondents indicated that in order to reduce the chances of multiversity becoming an impediment, the style of leadership and the culture of respect for differences has enabled the organization to overcome this challenge.

In most organizations, resistance to change is the main challenge that meets desired strategic changes and can lead to failure in implementation of change. The study investigated from the respondents how ACORD was able to overcome resistance from various stakeholders during implementation of change. Again the study revealed the idea of working groups has been very beneficial to the organization. The working groups serve as avenues of addressing and breaking the resistance to change.

## **4.4 Discussion of Findings**

### **4.4.1 Link to Theory**

It was clear from the study that strategic change management at ACORD was driven by a number of factors such as the need to reposition the organization. Balogun and Hailey (1999) had also indicated that strategic change may be driven by management fads such as culture change, business process engineering, empowerment, total quality, dramatic changes within the environment, declining organizational performance, or even both. Other change initiatives may

be driven by the need for organizations to reposition themselves in the face of changing competitive conditions.

It was also clear that ACORD initiates change strategic change management initiatives when faced with difficult and threatening situations such as financial difficulties. In this case therefore, strategic change management is initiated at all the levels of the organization and not at the top only. The (International, Inc. 2008) also indicated that when initiating change, it is important to have the same at all the existing levels of the organization.

The study also established that strategic change management at ACORD was not a one activity but rather a process that had to be undertaken. The strategic change management was therefore a process with various phases that had to be implemented. This finding therefore confirmed the view held by Kotter (1995) who view strategic change management as a process that goes through a series of different phases that require a considerable length of time. These phases correspond with Lewin's (1952) three phase change process of unfreezing, moving and freezing. In the unfreezing-phase, it is important to create a sense of urgency (Kotter, 1995) so that individuals are ready to change.

#### **4.4.2 Link to Other Studies**

It was evident from the findings that ACORD was formed in order to respond to some change that was imminent. There was drought and the founding members found it necessary to initiate some change that could address the situation. These findings agree with Devos, Vanderheyden and Van Den Broeck, 2000 who in their study confirmed that the business environment requires

continuous improvement of business processes this, in turn, requires organizations be open to and ready for change.

ACORD supports the idea of proper communication of the desired change to all the employees of the organization. All the employees must be actively involved in the change process in order to make it successful. This view is also held by Koch (2006) who asserts that proper communication of the desired change provides an opportunity that enables people to become accustomed to the idea of change and to align their thinking in ways that will help both identify potential problem areas and contribute substantively to process improvement. Callicutt (n.d.) equally confirmed that communication assists in including all the levels of the organization in a dialogue to help design an implementation plan.

Among the major challenges identified by ACORD in the implementation of strategic change management practices is finance. Scarcity of financing for various projects undertaken by the organization makes it difficult to implement some of its strategic change management practices. This challenge was also confirmed by Green and Cameron (2009) who cited lack of resources and funding available to conduct the necessary planning and implementation of strategic change management as a major impediment to change. They further argue that when there is change management resources dedicated to a change initiative, the project is more successful but without but without a dedicated change management resource, change management activities slip.

The study revealed that resistance to change was one of the challenges that ACORD handled with a lot of caution in order to avoid failure in implementing strategic change management. This was overcome by involving all the stakeholders at the initial stages of strategic change management implementation. This same challenge had been identified by Dalziel and

Schoonover (1998) who indicated that employees resist change most often because they lack awareness of the need for change and they fear the impacts of the change. Poor communication is also another challenge. They encouraged organizations to embrace communication as one way of sharing in-depth details about the project such as status updates and development rather than the rationale for the change.

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

## **5.1 Introduction**

This chapter presents the findings of the study in summary form. It also presents the conclusions drawn from the study, the recommendations put forward by the researcher based on the findings from the study as well as the suggestions on areas that need further research as far as strategic change management is concerned.

## **5.2 Summary of Findings**

The study established that strategic change management has been essential in ACORD in several circumstances. One such circumstance was during the Africanization of the organization, a process that saw the northern coalition become African in all aspects. Strategic change management was also evident during times of financial insecurity when the organization faces shortages in finances to undertake various projects. The other situation where strategic change management was necessary was during the time the organization was reviewing its structure, a process that saw some departments merged together in order to create a more lean and solid structure.

It was also evident from the findings that ACORD considered three types of stakeholders when implementing change. The first group of people is the employees who the organization considers to be very critical since they are the implementers of change. The employees are therefore given proper communication and sensitization on the new change the organization desires to make. The second group includes the donors and partners and ACORD. The organization understands that the donors provide the funding for the projects they implement hence must be kept informed of



any changes that are made in the organization since they may affect the implementation of the projects. The last group that ACORD considers is the beneficiaries of various projects. It was revealed that before the organization makes any change, it must consider and evaluate the impact of that change on the beneficiaries of their projects.

The findings confirmed that there are several strategic management practices that are prevalent at ACORD. The first such practice is the formation of working groups during the strategic change implementation process. Communication about the change process is passed through the working groups which are also avenues for collecting reactions and ideas from the employees. The working groups are given targets to meet and the impact of any change process on the operations of the organization is evaluated using the performance of these working groups. The other practice is that of changing the organization structure in order to have a lean structure.

The other issue that emerged from the findings is that the organization treats the issue of communication with a lot of seriousness. The study revealed that communication plays a key role in the strategic change management process hence the need to do it effectively. It was also evident that the organization encouraged feedback from employees through the working groups since this served as one of the ways of eliminating resistance to change. Time was also found to be of essence in the implementation of strategic change at ACORD. In this regard therefore, the organization ensures that there is timely information to all the stakeholders.

ACORD faces a number of challenges when it comes to strategic change management. Scarcity of finances is one of the challenges that the organization faces. It was revealed that the organization has embarked on resource mobilization in order to overcome the challenge of financial scarcity. Cultural diversity is also another challenge that requires the attention of the

organization. In order to overcome the challenge posed by cultural diversity, the organization has adopted a style of leadership and a culture of respect for differences and opinions. Leadership was also found to matter a lot during strategic change management. The organization encourages transformational leadership since this is the type of leadership that can easily succeed during the change process.

### **5.3 Conclusion**

There are a number of strategic change management that are prevalent in ACORD. These challenges include: formation of working groups during the change implementation process; proper and timely communication of the change to all stakeholders; enhancing the resources to create a stable financial base for the organization; reducing chances of resistance through the working groups and adopting a leadership style that respects the views of the stakeholders.

There are challenges too that the strategic change process encounters at ACORD. This includes scarcity of finances, resistance to change from the stakeholders, cultural diversity and leadership. However, the organization has ways of overcoming these challenges.

### **5.4 Implications of the Study**

ACORD seems to be over dependent on working groups in the implementation of strategic change. It will be important if the organization gets more avenues for change implementation since group dynamics may lead to resistance to change.

Finance seems to be a major challenge in strategic change management at ACORD. The organization should work on long term sustainability of their projects. In other words the projects should be able to sustain themselves upon completion. The findings confirmed that financial resources can be a major impediment during strategic change management implementation. This

implies that organizations need to come up with appropriate financial resources mobilization and utilization policies that can assist them to overcome such crises.

It is also believed that resistance to change can cause major setbacks in strategic change implementation. However, the study has confirmed that with proper practices in place, it is possible to overcome the resistance that emanates from the employees and other stakeholders. It therefore implies that organizations need to put in place strategic change management practices that can enable them reduce the chances of facing stakeholder resistance.

### **5.5 Limitations of the Study**

This study had time and resource limitations. The time available for the study was short hence the researcher could not involve many respondents in the study. Only a few respondents were interviewed for this study. The researcher had financial limitations hence could only be able to work with a limited budget that directed the scope of the study.

The findings of this study may only be directly applicable to ACORD and to some extent those organizations that have the same background and objectives. However, the findings may not be directly applicable to other organizations.

### **5.6 Suggestions for further research**

Comparing the outcome of one study with another is very significant in establishing differences and similarities. It will be essential therefore to conduct a comparative study to establish the

differences and similarities on strategic change management practices between ACORD and another related organization either in Kenya or elsewhere.

Time brings about new ideas and changes. The environment is also dynamic and may bring about new strategic change management practices. This study can therefore be replicated after five years to confirm if there are any changes on the strategic change management practices at ACORD.

Not all strategic change management practices may be successful in implementing strategic change. Some may succeed whereas others fail. It will be prudent to carry out a study to establish the level of success in the adoption of the various strategic management practices. This will assist in determining the most successful practices in strategic change management.

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## **APPENDIX**

### **Appendix: Interview Guide**

#### **SECTION A**

1. Kindly explain the circumstances under which strategic change is essential in A.C.O.R.D
2. How do you identify change as an absolutely fundamental first step in successful change adoption?
3. What do you consider concerning the people whom change will impact upon before introducing it?
4. What are the strategic management practices adopted by A.C.O.R.D for the last two years?
5. Who is given the responsibility of reviewing the strategic management practice adopted?
6. Which strategic management practices have been most successful and which practices have had the least impact to the organization?
7. How do you evaluate the impact of change on the business or operations of the organization?
8. Communication of change is important since it keeps various stakeholders informed on the progress, how is change communicated to your employees?
9. How do you identify potential problem areas and make employees contribute substantively to process improvement during strategic change management?
10. How does time factor impact on your strategic change management practices?

## **SECTION B**

1. Financial resources may play a role in strategic change management, what are the implications of inadequate finances on strategic change management practices that have been adopted?
2. How does the type of leadership affect the outcome during strategic change implementation process?
3. Cultural or organizational conditions can severely impede implementation and acceptance of a change, how do you address these issues during strategic change management?
4. Employees may initially resist any attempts to implement any strategic change management practice, how is this issue addressed in the organization?
5. What other important change management practices and challenges can you identify in your organization?