

**CHANGE MANAGEMENT PRACTICES IN THE  
IMPLEMENTATION OF DIFFERENTIATION STRATEGY AT  
SAFARICOM PLC, KENYA**

**ATHMAN OMAR AHMED**

**D61/33077/2019**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,  
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES,  
UNIVERSITY OF NAIROBI**

**2023**

## DECLARATION

I hereby certify that my research project is a unique piece of work produced alone by me and has not been presented at any other institution.



Signature: ----- Date:30<sup>th</sup> August 2023...

Athman Omar Ahmed

D61/33077/2019

This research project has been handed in for evaluation, and I, in my capacity as a supervisor at the University, have given my permission.



Signature: ----- Date-----6/09/2023-----

Dr. Mercy Florah Oluoch

Department of Business Administration,

University of Nairobi

## **DEDICATION**

To my family, who were very much motivated with on my studies.

## **ACKNOWLEDGEMENT**

I owe a tremendous debt of appreciation to Dr. Mercy Florah Oluoch, my university supervisor, for her guidance, thoughtful comments, and astute observations during this whole process. Her perceptive comments and useful suggestions have been much appreciated. I'd want to thank everyone I've studied with and been taught by at the University of Nairobi for helping me succeed academically and furthering my quest of knowledge. It's important to me to let my loved ones and colleagues know how much they're appreciated. Thanks to their encouragement, I have been able to make significant academic progress. They helped me and motivated me, and for that I am eternally thankful.

# TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>vii</b>
<b>ABSTRACT.....</b>	<b>viii</b>
<b>CHAPTER ONE:INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Change Management Practices .....	3
1.1.2 Strategy Implementation .....	4
1.1.3 Differentiation Strategies .....	5
1.1.4 Safaricom PLC, Kenya .....	7
1.2 Research Problem .....	9
1.3 Research Objective .....	11
1.4 Value of the Study .....	12
<b>CHAPTER TWO:LITERATURE REVIEW.....</b>	<b>13</b>
2.1 Introduction.....	13
2.2 Theoretical Foundations of the Study.....	13
2.2.1 Organizational Learning Theory.....	13
2.2.2 Institutional Theory.....	14
2.2.3 Dynamic capability Theory.....	15
2.3 Change Management practices and Implementation of Differentiation Strategy.....	17
2.4 Summary of Literature Review and Knowledge Gaps .....	18
<b>CHAPTER THREE:RESEARCH METHODOLOGY .....</b>	<b>24</b>

3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Data Collection .....	24
3.4 Data Analysis .....	25
<b>CHAPTER FOUR:DATA ANALYSIS FINDINGS AND DISCUSSION .....</b>	<b>27</b>
4.0 Introduction.....	27
4.1 Demographic Characteristics .....	27
4.2 Change Management .....	28
4.3 Change Management Practices .....	32
4.4 Change Management and Differentiation Strategy.....	35
4.5 Discussion of the Findings.....	37
<b>CHAPTER FIVE:SUMMARY, CONCLUSIONS AND RECCOMENDATIONS ....</b>	<b>40</b>
5.1 Introduction.....	40
5.2 Summary of the Findings.....	40
5.3 Conclusion of the Study.....	41
5.4 Recommendations of the Study .....	42
5.5 Limitations of the Study.....	43
5.6 Suggestions for Further Study .....	43
<b>REFERENCES.....</b>	<b>44</b>
<b>APPENDIX I: INTERVIEW GUIDE .....</b>	<b>51</b>

## **ABBREVIATIONS AND ACRONYMS**

**CAK**            Communications Authority of Kenya

**GoK**            Government of Kenya

**IT**              Information Technology

**NSE**            Nairobi Securities Exchange

**PLC**            Public Limited Company

**VKL**            Vodafone of Kenya Limited

## ABSTRACT

The business environment is increasingly becoming more turbulent. The changes in both internal and external environments continue to exert pressure on businesses. The process of managing change, however, is still a challenge to firms seeking to implement the changes. Change management practices refer to a mix of different organizational interventions which when applied effectively support the implementation of change processes. The study was anchored on organizational learning theory, institutional theory, and dynamic capability theory. The purpose of the study was to determine the change management strategies that Safaricom Plc, Kenya used throughout the execution of the differentiation strategy. According to the findings of the research, Safaricom Plc is dependent on technology for its day-to-day business operations. It was also said that technology has a very significant influence not only in the area of organization but also in the field of management. While ensuring that the organization's operational integrity was not compromised, upper management kept the reform process going forward. It was pointed out that communication is crucial in establishing awareness of the change, the need to change, and clarifying doubts about the coming change, so that workers embrace the change and have the desire to change. Establishing awareness of the change and the need to change also requires resolving doubts about the impending change. The firm has adopted agile ways of working that have driven the effective design, execution and customer feedback in the delivery of its products and services. Safaricom as being able to embrace the Kubler Ross change curve to recognise and manage the typical emotions stakeholders experience during change. According to the findings of the research, Safaricom Plc used a variety of change management strategies in order to adapt to an environment that is volatile and always changing. This was done in order to guarantee that the company's long-term vision and objectives would be met. According to the findings of the research, organizational learning may significantly contribute to an increase in innovative ideas inside a company. The final conclusion of the research is that Safaricom Plc is able to maintain its position as a market leader thanks to a product differentiation strategy that distinguishes it from other participants in the telecommunications business. Safaricom Plc differentiates its goods in a variety of ways, including the use of uncommon characteristics, rapid product creation, being in the forefront of technology advancement, and an apparent high status and prestige. Based on the findings of the research, Safaricom Plc is encouraged to regularly monitor and assess the effectiveness of its strategic transformation procedures. Second, the leadership of Safaricom Plc has to demonstrate that they are dedicated to the change and that they are able to lead by example.



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Today, the business environment changes more often. Change management, more than ever, is significantly important as businesses seek to get things right first time. The process of managing change, however, is still a challenge to firms seeking to implement the changes. This is because different dimensions of change require different mix of change management practices. Change management practices refer to a mix of different organizational interventions which when applied effectively support the implementation of change processes. In a competitive environment spiced by the rapid changes in technology, companies increasingly seek to change their approach, processes, products, and services (Kubai, Karanja, & Kihara, 2021). The choice timing and implementation of the different change management practices play a major role in change management. According to Harun (2021), when companies see the environment in which they operate as being volatile, complicated, and competitive, they adjust their strategies to either capitalize on the possibilities presented or mitigate the dangers posed by the shifts in the environment. In a fiercely competitive environment, organizations heavily rely on the differentiation strategy to distinguish themselves in the market (Githumbi & Ragui, 2017). The benefits of these strategies are fully realized only when the organizations successfully manage the implementation. Therefore, change management is an extremely important factor in determining the level of success that will result from the execution of the differentiation strategy.

The organizational learning theory, institutional theory, and dynamic capability theory served as the foundation for this study's conception. According to the organizational learning theory, learning in organizations takes place as a consequence of the accumulation of experiences inside an organization. This learning makes it possible for companies to continue to be competitive in the face of an uncertain business environment. The idea will be very useful in determining how the culture of the company interacts with the process of change implementation. When analyzing the behavior of an organization or its members, institutional theory gives a framework for looking beyond market considerations, and it also presents institutional forces as a tool for behavioral analysis. This allows institutional theory to go beyond market-based explanations. The notion is essential for assessing businesses, and how managers behave has a significant impact on how well change is implemented. The dynamic capacity hypothesis examines a company's aptitude to integrate, produce, and adjust both external and internal knowledge in order to respond to the fast changes that occur in the business environment. The theory will play a crucial role in determining how effective the various differentiation methods used by Safaricom Kenya.

Safaricom Plc is the largest telecommunications company in Kenya and the larger East Africa. Over the years, Safaricom Plc, Kenya has implemented both planned and emergent change management practices as approaches for strategy differentiation. For instance, in 2012 when Safaricom Plc launched M-shwari, its aim was to differentiate itself from its competitor, Airtel that was also offering both airtime, data and mobile money (Safaricom Plc, 2021). M-Shwari was a differentiation strategy since it allowed the customers to create a culture of saving and earning interests. Moreover, the emergent

change management practices have been evident in Safaricom Plc especially following the Covid-19 pandemic. In 2020, the company lowered the charges of sending mobile money as a form of price differentiation to not only support its customers navigate the difficult times but to also encourage the use of mobile money (Safaricom Plc, 2022). As a result, the purpose of this research is to provide a complete record of the various change management approaches used by Safaricom Plc in the process of putting the differentiation strategy into effect.

### **1.1.1 Change Management Practices**

Managing the people-side of a transition from one state to another is what change management is all about, as defined by Walala (2015). The final result (and ROI) of this effort is to bring about the desired transformation. The term "change management" refers to the strategies, methods, and procedures that an organization uses to design and carry out changes within both its internal and external business operations. Gikang'a (2020) defines change management as the use of systematic methods to ensure that an organization's transition to a new state of affairs proceeds in the desired manner, is implemented efficiently and effectively, and is completed on schedule without sacrificing the quality of the results.

Change management has different dimensions: the business, the emergent, the people, and the planned dimensions. The people dimension involves addressing issues around the workforce ability, willingness, awareness, understanding. The business dimension addresses processes and structure around change, including the strategy formulation, implementation, and strategy review (Kaurai, 2016). The adoption of either planned change management or emergent change management can result from the two

dimensions of change. Sequential actions are used in planned change management strategies to change both organizational and individual behavior (Varney, 2013). Policy makers use this technique after estimating the enabling and inhibiting forces at play to assess the need for change. On the other hand, emergent change management encompasses relatively informal self-organizing, is unpredictable. It is frequently unintentional, and can come from anywhere (Varney, 2013). This management of change develops concurrently with how individuals carry out their work within the confines of the organization structure. It involves enhancing the occurring work environment within the organization. Due to increased competition and globalization, most organizations must adopt emergence change management in today's dynamic business environment.

Change management, according to Kaurai (2016), helps people to adapt to change in order to achieve company goals. It's the link between solutions and outcomes, and it's all about people and our shared responsibility for translating change into positive outcomes for companies. Change management is potent in the implementation of different strategies (Velani, 2018). In order for businesses to continue to be successful in today's cutthroat marketplace, they must work to develop and execute differentiation strategies. Therefore, in order for enterprises to effectively adopt differentiation strategies, they need to connect their strategies to the changes that are occurring in the environment. This is accomplished through using techniques that are efficient in the management of change.

### **1.1.2 Strategy Implementation**

A strategy is a well-thought-out course of action that is planned to accomplish a long-term goal. Max (2019) loosely defines strategy as shaping the future. Strategy is about how entities, business, and non-business, achieve the desirable end by devising

appropriate ways of utilizing the available means. Essentially, strategy is the means to the end. Strategy plays a major role in the lifeline of the business. The different types of business strategies include, price-skimming strategy, product differentiation strategy, acquisition strategy, and growth strategy. Strategy implementation refers to the process and means through which firms embed a strategy into its operations and processes. It is the fulfillment of strategy to ensure that the firms reap the foreseen maximum benefit from the strategy. In business, the process of implementing strategy plays a major role in the success of business just as much as the strategy formulation process (Verweire, 2014). Strategy implementation plays a major role in the success of a firm. Firms can formulate a good strategy but eventually fail to realize the intended benefits if they do not implement the strategy accordingly. The process of strategy implementation absorbs and addresses all the challenges and shortcomings experienced in the realization of fulfillment of a strategy. This stage of strategy fulfillment addresses both the technical and the human challenges associated with the implementation of strategy. Strategy implementation must be focus-driven to ensure that the firm achieves the intended end. Organizations seeking to realize the full benefits of the strategies formulated must intentionally prioritize the management of the implementation of these strategies.

### **1.1.3 Differentiation Strategies**

The modern business environment is dynamic, and firms are always required to make changes to adapt to new situations. As a result, differentiation strategy is a top priority for almost every company. The implementation of differentiating strategy is using a method through which a company seeks to create and promote unique items for a variety of client categories (Velani, 2018). The implementation of a differentiation approach is often used

when a company has distinct competitive advantages and can afford to run a costly advertising campaign. It is one of three basic marketing tactics that any firm may use. Differentiation implementation is about establishing uniqueness, and policy decisions, supplier and value chain connections, scheduling, locality, interrelations, learning and externalities, incorporation, leverage, and selected macroeconomic variables are the main uniqueness drivers, as posited by Porter (1998). The literature on differentiation strategies, according to Lok, (2017) pertains to core competency, innovation, leadership styles, markets, society, people, and the surroundings. This study adopts Velani (2018) definition of differentiation strategy as a technique used by an institution to create and promote unique products or services for their customers.

Porter (1994) observes that in implementing differentiation strategy, the company has to be idiosyncratic in different dimensions that generally resonate well with the target market. The company must deliberately identify and perfect one or more attributes that buyers within the uniquely identify with as a great proposition to meeting their needs. The implementation of differentiation strategies is measured by the goods/services offered, the pricing of the products and the marketing strategies adopted by the organization (Maina & Kagiri, 2016). The implementation of product/service differentiation entails the uniqueness of a product/service offered by an institution in contrast to its competition. Implementing pricing differentiation entails the approach taken by an institution to ensure that the prices of its products/services are affordable to the customers, and competitive within the sector of operation (Maina & Kagiri, 2016). The implementation of marketing differentiation is the approach taken by an organization to inform its customers and potential customers of the products and services it offers. The

three aspects of differentiation strategies implementation are essential in facilitating the competitive advantage of an organization.

#### **1.1.4 Safaricom Plc, Kenya**

Safaricom Plc is the largest telecommunications company in Kenya. A leading player in the digital industry and a key player in the Kenyan communications industry, Safaricom Plc was founded in 2000. All of the many services that Safaricom offers, like as mobile phone sales, messaging, data, financial services, and convergent services, are offered with the intention of bringing about positive change in people's life (Safaricom PLC, 2021). With the goal of becoming a purpose-driven technology company by the year 2025 and being supported by its four transformative pillars strengthening the core, being a financial services provider, winning in select digital ecosystems, and achieving cost leadership the company uses its strengths in data and analytics, network and IT, mergers, acquisitions, and partnership, and people and organization to ensure that it stays in the line of sight to achieve its goal of becoming a purpose-driven technology company.

The success of Safaricom Plc is attributed to its ability to continuously change in response to the business environment. Over the years, Safaricom Plc has encountered change within its business environment. Key changes experienced in the telecommunication sector is the embrace of technology and innovation as a core element for business success. To address the changes in the business environment, Safaricom Plc has embraced the need to constantly evolve both their processes and products. For instance, Safaricom Plc has created a culture of innovation where young people are encouraged to offer their innovative ideas. For instance, in 2016, Safaricom Plc introduced Blaze Be Your Own Boss, an initiative that encourages innovation among the

youth (Safaricom Plc, 2016). With regards to leadership, Safaricom Plc has won awards for including women in the top tier management. Safaricom Plc received the Visionary Award for Leadership and Governance in 2019 in recognition of its dedication to advancing women in the C suite and fostering workplace inclusion and diversity (Safaricom Plc, 2019).

Through the implementation of change and management practices, Safaricom Plc has differentiated itself from the other telecommunication companies. For instance, a key differentiation strategy adopted by Safaricom Plc is its provision of financial services through the M-Pesa platform. M-Pesa is a platform that allows people to send money, receive money, and make transactions (Safaricom Plc, 2021). The M-Pesa services have boosted the profits of the company, since unlike its competition that only relies on income from airtime and bundles packages, Safaricom Plc has positioned itself as competition for financial institutions. In 2012, Safaricom, adopted the differentiation strategy through the introduction of M-shwari, whose main aim was to encourage people to save money while at the same time have access to quick loans (Safaricom Plc, 2022). Further, Safaricom Plc provided the lipa na bonga points services that allows individuals to use the bonga points earned to pay for products in supermarkets. In 2019, Safaricom Plc launched Fuliza, a service that allows the mobile service subscribers to pay on credit (Safaricom Plc, 2021). Safaricom Plc has been effective in implementing these differentiation strategies, despite the changes that have occurred over time in the business environment. Therefore, this study seeks to determine the influence management of change has on the implementation of differentiation strategy at Safaricom Plc.



## **1.2 Research Problem**

The business environment is increasingly becoming more turbulent. The changes in both internal and external environments continue to exert pressure on businesses. These changing dynamics which include the changes technology, changes demographic factors, shifts in regulatory environment, changes in climatic conditions, changing consumer behaviors, and unpredictable political environment play a significant role in the process, quality and type of products produced. The convergence of these forces has led to a business environment that is unpredictable, straining, taxing, and challenging to business establishments that are not ready and flexible to recalibrate their internal processes to respond to the changes.

The Kenya telecommunication industry has greatly been affected by the rapid changes in technology. While the services associated with the industry remain voice and data connectivity, quality of service and product proposition continue to play a major role in the success of firms in this field. In an industry where the products and services are closely similar, differentiation strategy plays a significant role in the growth and continuity of the firm. In Kenya, where the telecommunication industry is competitive, Safaricom Plc, which is one of the main players continue to cement its dominance by customizing its products and services to stand out from those availed by the competitors. These strategies which includes providing the customer with the flexibility to customize the mix of products they are buying, automating customer onboarding journeys and better customer service continues to strengthen the Safaricom's dominance in this industry.

Different authors have conducted research on the concepts of management of change and differentiation strategy. Lok (2017) in Finland found that differentiation strategy was

essential in driving competitiveness and improving performance in a dynamic business environment. However, the study was based in a developed country, hence cannot be used to make generalizations in a developing country. Ndahiro et al. (2015) conducted research in Rwanda to determine the influence of management of change on the performance of government institutions. They discovered that the successful implementation of management of change has played an essential role in the differentiation of goods and services in Rwanda. Aupal, Ngaka, and Odubuker (2016) conducted an analysis of the performance of a selection of Ugandan local governments as well as the management of change methods. According to the findings of the research, change is inevitable, and while strategies and goals for the management of change might vary from one organization to the next, all businesses struggle with the same challenge. Despite the fact that Ndahiro et al. (2015) and Aupal, Ngaka, and Odubuker (2016) conducted their research in developing nations, they did not evaluate the two ideas in relation to the telecommunications industry, which will be the primary focus of the present study.

Kimaku (2010) conducted a case study on the change management strategies implemented by Barclays Bank of Kenya and published his findings. Even though the research investigated whether or not change management strategies were used, the scope of the investigation was limited to the financial sector. Kihara (2010) conducted a research study that was a descriptive investigation of the change management techniques of the Kenya Road Authority. The study identified leadership engagement, training of staff in specific areas of specialization, motivation of the employees, creating awareness and management support through ensuring availability of finances as some of the

management practices employed by the Kenya Road Authority. While the study evaluated the change management practices in Kenya Road Authority, its application is only limited to the government institutions. With a focus on Safaricom Plc, Bwaley and Machuki (2018) found that Safaricom Plc had embraced the integration of the business and people dimensions of change by encouraging employee participation in change formulation, establishing a suitable feedback mechanism through employee surveys, and establishing a staff council, all of which contributed to the company's ability to implement change with minimal pushback while maintaining sustainable profitability. The study, however, change management as a whole and did not focus squarely on the practices.

Research carried out on a global and local scale in Kenya, such as the studies that were described above, reveals the presence of change management methods in the process of putting various strategies or change initiatives into effect. The philosophical and contextual factors of these research diverge to varying degrees. None of these studies, however, has specifically attempted to study the change management approaches that were used in the execution of the differentiation strategy at Safaricom. Therefore, the purpose of this study was to provide information on this research gap that has not been assessed. This study sought to answer the research question; what are the change management practices adopted by Safaricom PLC, Kenya in the implementation of differentiation strategy?

### **1.3 Research Objective**

The purpose of the study was determining the change management practices adopted by Safaricom Plc, Kenya in the implementation of differentiation strategy.

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

The results of the research demonstrated that contributed to the expansion of knowledge base in change management in the execution of strategies amongst corporates. This was accomplished by validating the existing theories and bringing together the disparate pieces of prior information on change management in general. This flow of information serves as the foundation for developing an understanding of the fundamental ideas underlying the management of change.

The conclusions from this research were also helpful to Safaricom Plc in several ways. The research shed insight on the company's change management processes as well as the difficulties it has in putting its differentiation strategy into action. These findings, especially on the challenges, provided an opportunity for Safaricom Plc to evaluate the process and nature of implementing change for them to ensure the company achieves the maximum benefits foreseen by implementing the differentiation strategy. This research work is also of significance to other institutions, government and non-government, which are seeking to implement differentiation strategy. The study highlighted the challenges that these institutions are likely to face and throw a pre-cursor to how the institutions can navigate the challenges.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides an analysis of the published research on several change management philosophies. Additionally, a discussion of change management approaches that were used in the execution of the differentiation strategy is included in this chapter. It concludes with a concise survey of the works of existing literature as well as the conceptual framework that was chosen.

#### **2.2 Theoretical Foundations of the Study**

This study was anchored on organizational learning theory, institutional theory, and dynamic capability theory.

##### **2.2.1 Organizational Learning Theory**

The organization learning theory as proposed by Chris and Donald (1978), states that organizations learning occur as a result of accrued experiences and enables the firm to remain competitive in an unpredictable business surroundings. Organizational learning, therefore, is the act through which organizations create, sustain and transfer knowledge within its functions. This theory emphasizes how an organization uses its accrued knowledge as an asset to influence change within its operations. Organizational learning happens within all functions of the organization at different speeds. These learnings are particularly important as they inform how organizations mature their functions and consequently how they manage changes in their different functions or in the organization.

Chris and Donald (1978) evaluated the organization learning theory in two dimensions, the single-loops learning and the double-loop learning. The single loop learning process is where a error is redressed by implementing a plan of action or technique that is totally different from the initial one and is expected to bring forth a different and successful result. Single-loop concept emphasizes a one-off implementation of the strategy and discourages strategy reuse. Double-loop concept on the hand proposes the reevaluation of the initial goal of the strategy as a measure of correcting the failed actions. In the double-loop process, the next course of action towards correcting the mistakes originated from the product of the goals reevaluation. Double-loop concept, therefore, is more dissecting than the single-loop concept. The double-loop concept may result in a total change in strategy and consequently the direction of the firm.

The organizational learning theory is particularly relevant to this study as it advances the process and ways through which an institution can learn from its experiences in order to redirect its direction or invent strategies that would enable it to navigate both internal and external changes in its operating environment. Specifically, this theory would allow us to interrogate and understand what inform changes in Safaricom and how the company manages the changes.

### **2.2.2 Institutional Theory**

DiMaggio and Powell (1993) developed institutional theory by explaining institutions in terms of social enablers and constraints. The impact of circumstances beyond an organization's control on its behavior is addressed by institutional theory (Harun, 2021). It establishes a framework for looking beyond market factors when examining the behavior of a business entity or its members and establishes institutional forces as an

instrument for carrying out behavioral analysis. The theory evaluates the behavior of organizations and its management as social and institutional factors rather than economic and market forces.

Scott (1995) classified the institutional influences that impact organizational behavior into cognitive pressure normative pressure, and regulative pressure (Harun, 2021). As a result, the regulative component of addresses concerns to do with the regulations, rules, and that apply to the business environment. The normative pillar addresses the importance of moral duty and conscientiousness in carrying out one's responsibilities. Knowledge and skills, as well as assumptive beliefs, comprise the cognitive pillar. It addresses the cognitive frameworks connected with one's self-esteem and self-belief (Harun, 2021).

This theory is particularly relevant in this study as it allows the evaluation of change management within the confines of social boundaries of the institution. The theory proposes ways of identifying and evaluating the social forces influencing the management of change. It will enable the researcher to evaluate how the interaction between the institutional factors and the change initiatives in the implementation of differentiation strategy at Safaricom.

### **2.2.3 Dynamic capability Theory**

Teece, Pisano, and Shuen (1997), define dynamic capability theory as the capacity of the firm to integrate, maturate and reconfigure its expertise, external and internal, to respond speedily to an environment which is evolving. This theory emphasizes the intrinsic capability of the organization to adapt and employ the resource base of the organization in an optimal and purposeful way. Dynamic capabilities refer to the process through

which firms make use of existing resources to create new resources that can cause changes in the market (Eisenhardt & Martin, 2000). Changes in the market can be traced in the market evolution, emergence, disintegration or even disappearance. The theory largely confirms the proposition by the environment dependent theory that organizations serve and depend on the immediate environment that surrounds them (Velasco, 2002).

Changes in the environment, both external and internal, directly affect the operations of organizations. Organizations have control of the internal factors; however, they do not have power over the variations that occur in the external environment. Empirical evidence on dynamic capabilities confirms a notable correlation between dynamic capabilities and the performance of the firms. Zollo and Winter (2002), observe that firms that do not possess dynamic capability in a business environment that is changing only command a temporary dominance in its field of operation. Today, there is a great focus on dynamic capability more so as regards strategic management field (Barreto, 2010). The success seen by firms is majorly dependent on how the firms adjust to the changes in the market within which it operates (Rua et al., 2018). It is also influenced by the type and nature of resources that a firm owns. Organizations need to be cognizant of the changes in their areas of operation and react fast enough to either remain afloat of device methods to take advantage of the changes.

The theory of dynamic capability is significantly relevant to this study. The theory highlights how businesses can manipulate their capabilities to counter the dynamic business environment. This theory will provide a basis for understanding the differentiation strategy as employed by Safaricom and how Safaricom reacts to changes in the environment.



### **2.3 Change Management practices and Implementation of Differentiation Strategy**

Change management is crucial in the fulfillment of implementation of strategy. The practice of change management gives firms the opportunity to shape the direction which the implementation of strategy is taking. Change management, therefore, has a direct effect on the realization of the strategy. Change can be necessitated by internal adjustments or as a result of changes in the operating environment. Porter (1985) identified five competitive forces as being key influences on a company adopting a change. These forces include, bargaining powers of the buyers, the entry of new players, bargaining power of the suppliers, level of competition and threat of substitutes. Porter opined that a firm may be forced to strategize to balance the change caused by a change in one or a combination of these forces.

Strategic management is the complex process of formulating and managing the major strategies of the company in order to realize the desired outcomes. It involves objectively identifying the strengths and weaknesses of the company and correctly reacting to the changes in the external environment. According to the propositions of strategic management, successful firms are those that are dynamic in their operations. These successful firms continuously recalibrate their internal configurations depending on the variations of the conditions in the environment in which they operate (Ansoff, 2007). In an environment where flexibility is key, the management of change from one state to the desired state is more critical.

Lynch (2009) observes that the implementation of a strategy involves a change for the human resource in an organization. The reaction of the people towards strategic changes can take different directions depending on many factors. These reactions can make the

implementation of change either easy or difficult. Where the workforce is enthusiastic about the changes, the implementation of strategy becomes easy and otherwise where they are resistant to change. In addition, there other factors that pose a challenge to the implementation of change. Availability of finance and resources, changes in the regulatory environment and the organization's preparedness all play a major role in the management of change. The result of managing can be traced in the complexities in the methods of production, changes in jobs, the changes in combination of skill required for given roles, and the level of integration of technology in the company processes.

Differentiation strategy enables company to distinguish their products and services from those of the competition in the market. According to Githumbi, and Ragui, (2017), the implementation of differentiation strategy is utilizing a technique that aims to create goods or services with advantages that are distinct from those offered by rivals and are highly appreciated by purchasers. Whereas the result of the implementation of differentiation strategy can be traced in the uniqueness of the end product in the market, it is equally easy for the organizations to fall short in their quest to distinguish themselves from other players if they fail to manage the process of evolving from their current state to the target state. Change management therefore plays a critical role in the implementation of the differentiation strategy from conception to realization.

## **2.4 Summary of Literature Review and Knowledge Gaps**

A lot of research work has gone into examining change management in different organizations. Different scholars, locally and globally, have carried out research on the change management and challenges organizations face when implementing different changes in the organization. Kibisu (2010) performed a case study on the management of

change at Zain Kenya to assess the strategies used and the challenges faced by the company during this time of transition. The research indicates that Zain Kenya uses a systematic approach to change management. According to the findings of the investigation, the corporation also encountered substantial opposition to change from a subsection of its workforce while attempting to execute this change. Because of budgetary constraints and entrenched organizational culture, the company also had trouble reorganizing its internal structures to make room for the new initiatives.

Kimaku (2010) reported the results of a case study he did on the change management techniques put into place by Barclays Bank of Kenya. Effective communication, staff engagement, conflict management, and great teamwork were highlighted as the cornerstones of Barclays Kenya's change management processes, per the results of the research project. Other practices that were utilized included assistance from top management. According to the findings of the research, in order for organizations to attain the outcome that was meant to result from implementing change, they must continually analyze the changes in the operational environment and recalibrate the procedures in order to allow change implementers to fulfill their purpose. Kihara (2010) conducted a research study that was a descriptive investigation of the change management techniques of the Kenya Road Authority. The study identified leadership engagement, training of staff in specific areas of specialization, motivation of the employees, creating awareness and management support through ensuring availability of finances as some of the management practices employed by the Kenya Road Authority. The research also found that the deployment of beneficial change management methods led to improved delivery of services and projects. This was one of the findings of the

study. A descriptive research study on the strategic change management techniques and performance of NCBA Bank of Kenya was carried out by Murimi (2020) in the year 2020. The study that evaluated the various change management practices and how they influence the performance of the bank established rightsizing, product reengineering, adoption of relevant technologies, down scoping, and adopting a learning culture as some of the change management practices employed by NCBA Bank of Kenya. The study also found that adopting a learning culture was the most effective change management practice. In addition, the research came to the conclusion that the financial institution that was the subject of the study was able to increase its overall performance as a result of the use of strategic change management strategies.

An empirical research on the change management strategies and how successful they are in the implementation of change was conducted by Ranieri (2011). According to the findings of the study project that surveyed Chilean businesses of varying sizes, there is a considerable use of the change management methods in the process of putting change into effect. The survey also found that there is a considerable gap in the perspective of change management between those who bring about the change and those who are responsible for implementing it. The study also established that companies that implemented the relevant change management practices had a significant success with the objectives of the changes that they sought to implement.

A case study on the process of change management at Safaricom Limited in Kenya was carried out by Musau in the year 2012. The research conducted an analysis of Safaricom's change procedures as well as the obstacles the company encountered throughout the process of change implementation. The research work established proper strategy

formulation, prioritizing implementation, proper resource allocation, and change management ownership from the management level as some of the practices characterizing change management in Safaricom Plc. In addition, the research found that some of the hurdles that Safaricom Limited experienced in the face of change implementation were financial difficulties, reluctance to change, and external environment issues. A case study on the change management strategies at Kenya Revenue Authority (KRA) was conducted by Cherutich (2016). The purpose of the research was to explore the change management methods at KRA as well as the problems associated with change management. The researcher determined that KRA's primary change management practices were risk management, resource mobilization, change implementation preparations, and trainings. These practices were used in the organization's actual execution of change management. The outcomes of the study led the researcher to conclude that resistance to change, financial hardship, and changes in the external environment are the three primary hurdles that must be overcome in order for KRA to successfully execute change.

A study by Mwaniki and Ogutu (2018) evaluated the competitive strategies adopted within the telecommunications sector in Kenya. According to the study, the differentiation strategy is particularly important within the telecommunication sector as a result of the advancement in technology and the need for people to connect despite the distance. The study argued that all organizations should adopt a change that facilitate the adoption of technology, failure of which would be a challenge to successful implementation of the differentiation strategy. The author argued that the telecommunication sector is an industry that is technologically driven, therefore,

inadequate access to technology may hinder the implementation of differentiation strategy.

Maina and Kigiri (2016) assessed the effect product differentiation strategy has on the competitiveness of East Africa Breweries Limited. The study targeted 14 managers in the institution and collected data by distributing questionnaires. The study identified that poor leadership was a hindrance to successful implementation of product differentiation strategy. The study established that all leaders must be diligent to ensure the proper implementation of differentiation strategies to enhance the competitiveness of an organization. The study focused on the manufacturing sector; this study will focus on the telecommunications sector.

Fritzenschaft (2014) carried out an empirical research study to investigate critical success factors of change management in successful SMEs in Germany. The study established that clarity in vision statement and the desired objectives, evaluation of risk associated with changes in internal and external factors played a major role in the initial stage of the implementation of change. The study identified complex organizational structure that hinders effective communication, unmotivated employees, and lack of readily available finances as some of the challenges facing change implementation in Germany.

According to the findings of the research that were investigated for this part of the article, change management does, in fact, play a significant part in the execution of strategies inside an organization. The process of change management becomes even more important for a firm that is striving to differentiate itself from the other companies that are involved in an industry. Both studies carried out locally and globally confirm that different organizations adopt different approaches to managing change. Moreover, the studies

confirm that all companies face challenges in the face of implementing change. While these past studies have addressed different study objectives for which they were set out to achieve as regard change management, none of the studies have explored change management within the context presented by this study. This study, therefore, attempted to inform on this existing research gap that has not been exploited.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology used in the study. It explores different areas under the research methodology. The chapter also reviews the instruments that has been used in the collection and interpretation of data.

#### **3.2 Research Design**

A researcher's entire approach to an investigation is referred to as the research design. According to Saunders, Lewis, and Thornhill (2009), the research design is the strategy that outlines how the research question will be answered. An outline is a document that outlines the processes and activities that will be followed in order to obtain and analyze data, as well as answer the research question(s). A research design is necessary for every study because it enables a researcher to derive proper and reliable conclusions from the findings of the investigation. A case study methodology was used for this research. The researcher was able to conduct an in-depth examination of the change management methods involved in the execution of the differentiation strategy in Safaricom thanks to the use of a case study.

#### **3.3 Data Collection**

The study used primary and secondary data sources. Oral interviews were used to collect the primary data. The oral interviews targeted sample employees across the divisions in the company. An interview guide were developed to extract qualitative data. The



interview guide facilitated face-to-face discussions. It ensured that in-depth data is gathered from the respondents on the influence of the management of change on differentiation strategy at Safaricom Plc. The interview guide were developed based on open-ended questions. The many approaches to change management that Safaricom Plc has used in its efforts to put into place a differentiation strategy were the primary focus of the questions asked during the interview. Before collecting any data, the team first attempted to get authorization from Safaricom Plc. Before the day when the actual data collecting took place, the researcher set up meetings with each of the respondents. The researcher established a good relationship with the participants in order to put them at ease and encourage their participation in the interview. The interviews were conducted within the vicinity of Safaricom Plc at the convenience of the respondents. The study also relied on secondary sources of data such as strategy and policy documents to evaluate the internal environment and the enablers of differentiation strategy in Safaricom.

### **3.4 Data Analysis**

The qualitative data was collected using the interview guide. As a result, the data examined using content analysis. According to Creswell (2014) content analysis entails note taking which can include recording tapes, making observations, and making handwritten notes. The researcher recorded the interview sessions and taken notes during the interview sessions. The tape recordings and notes were converted to readable write-ups.

The analysis process involved understanding the data collected, focusing on the analysis, and categorizing the information into themes. The researcher later paid attention to the recordings and perused all the written responses to understand the feedback collected

with respect to the interview guide. According to Wilson (2012), the researcher should classify data into applicable codes. The classification of the data into themes provides clarity when presenting the data collected. The data collected was coded using thematic analysis. A theme describes a specific outcome of categorization.

## **CHAPTER FOUR**

### **DATA ANALYSIS FINDINGS AND DISCUSSION**

#### **4.0 Introduction**

This section summarizes the findings of data obtained with the intention of addressing the study objective, which was to identify the change management practices implemented by Safaricom Plc, Kenya in the execution of differentiation strategy. The research objective was to determine the change management practices followed by Safaricom Plc, Kenya. The qualitative data that was gathered via the use of interview guides was examined through the utilization of content analysis, and the relevant interpretations were formed based on the results. The findings are arranged and presented in accordance with the several topics that were the focus of the research.

#### **4.1 Demographic Characteristics**

The participants' capacity to react and express the concerns that were being investigated was evaluated, in addition to their demographic data, as part of this research, which was conducted at Safaricom Plc in Kenya. This was done in order to get a better understanding of the participants' backgrounds and to evaluate their responsiveness. For the purpose of the research, essential components attribute of persons who were interviewed such as role in the organization, time worked in the organization, and involvement in the management of change at Safaricom Plc were taken into consideration. The roles that the respondents held inside the company were Human Resource Business Partner, Head of Department in accordance with the norms and

practices of the industry, Head of the Strategy Department, Operations Manager, and Sales Manager.

According to the findings of the interview, all of the top managers had been employed by Safaricom Plc for more than seven years at the time of the interview. Due to the respondents' dependability, dedication, and overall level of expertise, the fact that they had worked at Safaricom Plc for an extended period made it simpler to obtain information about change management. These managers are not only ambitious but also diligent, and the amount of time they have spent working for the firm may have afforded them the chance to engage with or assist in the creation or execution of many policies pertaining to the workplace. In addition, the findings indicate that those who were interviewed had been in the workforce for an extended length of time, and thus provided information that could be trusted.

The people who were interviewed said that they had some part to play in the process of managing change at Safaricom Plc. The employees provided their expertise in order to drive organizational change by promoting an agile mindset, continuous improvement, and ensuring adherence to leading change management practices and principles. Additionally, the employees offered support to senior management and staff in order to facilitate the delivery of effective change management programs that enable the achievement of predetermined corporate objectives.

## **4.2 Change Management**

In pursuance of the 2025 Strategy, Safaricom Plc has designed a customer-centric organisation that aims at achieving the strategic ambition of being a purpose-led Tech by

2025. The organisation has adopted Agile as an integral vehicle in driving efficiency and productivity and thus the organisation structures have been and still are in the process of transformation. Corporate processes are also in scope of the changes in a quest to ensure effective decision-making and seamless delivery of expected outcomes. The marketing manager said that *“the organization has successfully rethought its operations to better serve its clientele, to maintain a competitive edge, to remedy the underlying systemic mechanism and the behavioral issues”*, To improve capabilities for expansion into new sectors and to better adapt to a changing environment, in order to appease its consumers, staff, and other stakeholders that want them to be significantly different and to generate various outcomes, to endure and thrive over an extended period of time, as well as to create new guidelines for how the game is played.

Virtual modeling has resulted in an improvement in the level of communication with customers and many other stakeholders. All of the respondents were in complete agreement that the degree to which an organization's structure is able to support strategic changes is a major factor in determining how well strategic changes may be implemented. According to the opinions expressed by respondents, the organizational structure of a company is never static; rather, it is often reorganized in order to ease the transition to the organization's desired future state objectives.

The interviewees were asked to give the nature of change at Safaricom Plc. It was indicated that the agile change at Safaricom Plc is transformational and enterprise wide. The management have a vision to transform from a Telecommunications company to a Technology company by 2025. It aims to maximize customer-obsession within the

organization; ensure clear ownership of customers along the journey; enable alignment and priority-setting; attract and retain top talent; and attain cost leadership.

The respondents were questioned on who at Safaricom Plc is participating in the change management process. Those who were interviewed said that having support from senior management throughout the change process was essential to having a successful change implementation. They noticed that senior management kept the transition process flowing while also retaining the operational integrity of the firm. The human resource manager said that *“the top management team profiled risks associated with strategic change in order to reduce the likelihood of failure and increase the probability of success. This was done by classifying the risks associated with strategic change as either high, medium, or low probability”*.

The goal was to increase the likelihood of a successful strategy shift being implemented. The managing director said that *“everyone at Safaricom is involved. All stakeholders are engaged and informed of the change at different and targeted approach in order to understand the shift to Agile and become ambassadors for the desired change that is designed to create greater value and scale the business to greater heights”*. Specifically, the stakeholders include the Government, Board of Directors, executive leadership, management, staff, shareholders, media, partners, suppliers and most importantly, the customers.

After top management established a strategic vision for the company, participants saw intermediate managers working to bring their own functional plans into line with that vision. As a result, middle managers asked that frontline managers make area-specific

and relevant strategy changes to the functional strategies in support of the company's overarching goal. Participants cited a lack of involvement from frontline managers in formulating strategies for change as the primary cause of subpar strategic change results and sluggish rollout. Participants also highlighted a lack of change leadership abilities on the part of frontline managers as another contributing factor.

In the survey, participants were questioned whether or not the organization offered regular training and programming related to its mission. All of the participants were of the opinion that the company utilized a variety of tactics in order to drive the implementation of the strategic change, including: trainings, workshops, conferences, meetings, and workshops with participants from impacted stakeholder groups; continuous and regular communication; participation of impacted parties and other stakeholders; and comments from several concerned parties and stakeholders; Constant interaction with the relevant stakeholders; implementation of change agents throughout all levels of the organizational structure; and assistance from the higher management.

The PR and communication manager said that "*there is a robust capability training program to ensure that key learnings, experiences, and competencies are shared in order to empower all stakeholders and to ensure that the business maintains traction in achieving the agile outcomes.*" All the respondents acknowledged that indeed communication is important to the realization of an organizations change process. It was pointed out that communication is essential in order to create knowledge of the change, the need to change, and to dispel concerns about the upcoming change. This is done in order for workers to embrace the change and have the desire to change.

When the respondents were questioned about the staff members who were engaged in the early stages of the process of developing the strategy, they all stated that every department had a role to play. They were responsible for preparing the appropriate documents required both before and during the change that was to take place. Each employee was given a job, and they were expected to comprehend the change and progressively adhere to it as it was implemented. It was also disclosed that the staff were required to collaborate with one another and promote a spirit of teamwork. In order for the workers to fulfill their duties and responsibilities, it was also required of them to locate the necessary resources for their day-to-day job. Managers were polled on the topic, and they reported that workers at all levels of the organization, including upper and lower management and those in lower positions, had participated in the transformation process. This played an extremely important part in the workers' overall level of motivation to embrace the change. Because of the high degree of participation required, these events were beneficial to the employees in terms of fostering a feeling of ownership over the change and the process of change. In addition, interviewees said that holding regular, transparent employee engagement sessions on the rationale for the change and publicly recognizing and rewarding outstanding employees who embraced the change were important in gaining buy-in to the strategic shift and generating enthusiasm for the new direction the company was taking.

### **4.3 Change Management Practices**

The respondents were asked if the organization is concerned with the people dimension of change management. It was revealed that as part of the agile transformation, the People Model was redesigned to adopt the changes necessary to achieve individual



outcomes and enable successful delivery of business objectives and scale performance. Human resource manager stated that *‘the key focus area this financial year is embedding the Spirit of Safaricom which demonstrates commitment of being purpose and people centric before profit’*. E-mails and courses on increasing one's ability were both helpful in facilitating communication inside the organization, which took place in its boardroom. In order to sensitize the workers, seminars focused on capacity development were arranged. These workshops also provided the employees with the chance to provide their comments on the change and the change process. The SEMA survey response was given to workers, who were given the option of remaining anonymous, in order to get insight into their ideas and provide contributions to the transformation process. The workers were made more aware of the situation and given the chance to share their thoughts and opinions as well as contribute to the change via the use of these workshops.

The respondents were asked how the firm prepare to support employees in the implementation of change .It was stated that the firm adopts several avenues to enable implementation of change via leadership forums, CEO and divisional townhalls, e-learning platforms, set up of learning microsites as well as outsourcing to capacity building consultants when required. One of the respondents stated that *“there is proper capacity building and support at all levels. in addition, there are regular review session to monitor the change progress. we also use change champions who are spread across the country to drive the change agenda”* According to the findings of the research, making use of formal communication channels was effective and contributed positively to the process of change implementation. The direction of the channels that were in place was either downhill, upward, or horizontal. When it came to conveying messages to

employees lower on the hierarchy, management used downward communication. The workers were able to share their thoughts and suggestions with management through the upward communication channel, while the horizontal communication channel was used for the purpose of conveying information across the various departments. The information was then disseminated to the rest of the personnel at the departmental meetings that immediately followed this event. Emails were also sent out with this information to ensure that everyone is aware of what is going on and to contribute in reaching the widest potential audience. The company's website was also used, along with other vital tools, for the purpose of communication inside the intranet of the organization.

The researcher asked about the elements of downsizing, rightsizing, and down scoping in the implementation of change in Safaricom Plc. It was noted that Safaricom Plc does not have companywide elements of downsizing, however, each business unit is reviewed on a case-by-case basis to determine a 'fit-for-purpose' Target Operating Model. In his response, the senior manager said *"In order to remain adaptable to the macro & micro aspects that impact our business, Safaricom Plc invests in right-skilling, upskilling, re-skilling and (re)tooling staff in order to navigate the changes. We are not focused on downsizing or down scoping rather we seek to empower and enable our staff to be well equipped to change"*.

A knowledge resource center has been established in each region of the nation by Safaricom Plc. In order to establish a new training center, the corporation has formed partnerships with both Huawei and the colleges in the surrounding area. Students will be prepared for the workforce by the telecommunications sector via the development of appropriate technical capacity, which will be accomplished with the help of the training

facility. The company's customer service center is located in Mlolongo, and it responds to the automated voice machine instructions to solve any issues that may arise with clients. Technology has made it possible to handle complaints from customers in a more timely and effective manner.

#### **4.4 Change Management and Differentiation Strategy**

The researcher asked the interviewees to explain how Safaricom Plc differentiate its products and service. Safaricom Plc has been able to implement differentiation strategy through technology and agile ways of working. The customer service manager said that *“Safaricom Plc is a Customer Centric organization that develops its products and services based on Customer Stories. This means that, unlike other organizations, Safaricom Plc is Customer obsessed and takes time to gather customers feedback before embarking on product development”*.Safaricom is able to differentiate its services by offering better customer service and availability of network to all subscribers.

The change management at Safaricom Plc as resulted the firm able to differentiate its product and services in the market. The firm try out its products and services with customers, gather feedback and uses the feedback to make changes on the product. The firm has adopted agile ways of working that have driven the effective design, execution and customer feedback in the delivery of its products and services. The company has made expenditures to ensure that the services it offers are of the highest quality. The firm is also committed to providing a superior client experience by investing in the network to guarantee top performance. According to the head of corporate strategy, *“Safaricom Plc has produced a variety of goods for various segments of the market. Some of these products include all in one monthly bundles, tunukiwa, blaze, flex, and Safaricom*

*platinum. The company Safaricom Plc uses a few different approaches to differentiate its price*". Several strategies have been used by the corporation in order to achieve this goal. These strategies include phasing out scratch card top-ups in favor of encouraging consumers to make use of M-PESA, as well as reorganizing the organizational structure in order to reduce the amount of role overlap that exists.

The researcher asked the Interviewees to explain the change practices that have been implemented in the implementation of differentiation strategy. The firm has been able to *embrace* the Kubler Ross change curve to recognise and manage the typical emotions stakeholders experience during change. The firm also implements the ADKAR Model that helps to get change done together with the leaders, managers, and staff by taking a clear change journey to successful adoption of the change. The managing director said that "*the company's adaptable methods of operation have allowed it to grow its presence in the area to include Ethiopia and secure the participation of its workforce*". Employee empowerment and the provision of targeted discussion sessions aimed at altering employees' mindsets and abilities in light of the new vision both contributed to a rapid pace of change. This was made possible as a result of the employee engagements.

The study investigated how change practices influenced the implementation of differentiation strategy. The Human resource manager said that "*there has been positive changes occasioned by the implementation of our strategy. For instance, with Agile Ways of Working, the turnaround time of our products has reduced drastically by over 50% and the quality of our products has also improved based on customers feedback*". The ability of the leader at Safaricom to set a vision, communicate that vision to employees and other key stakeholders, and adjust course in response to feedback on that vision was

thought to be crucial to the success of the strategic transformation initiative. The company has been able to implement the right or targeted initiatives at the right time, optimizing resources and leveraging data and insights to enable effective and successful implementation of a customer-centric differentiation strategy focused on protecting the core while leveraging new growth areas or opportunities.

#### **4.5 Discussion of the Findings**

Research indicates that the organization cannot function normally without the use of technology. It was also said that technology has a very significant influence not only in the area of organization but also in the field of management. The use of technology such as virtual modeling has resulted in an improvement in the level of communication with customers and many other stakeholders. The corporation has been successful in rethinking its operational procedures in order to better serve its clientele, maintain its position in the market, and eliminate both systemic and behavioral issues. The findings agree with Kaurai, (2016) change management has different dimensions: the business, the emergent, the people, and the planned dimensions. The people dimension involves addressing issues around the workforce ability, willingness, awareness and understanding.

The study's results suggest that leaders' abilities to articulate a common vision, effectively communicate it to key stakeholders, and bring everyone in the organization together behind that vision are crucial to the success of change management approaches. To achieve this, a climate conducive to the implementation of change efforts by both management and staff must be created. In order to create a climate that is conducive to the change that is intended, leaders should demonstrate what they preach by keeping the

momentum of change going via dedication and the appropriate allocation of resources. Leadership is a critical enabler of change management, which is consistent with the claims stated by Varney (2013). The goal of change management is to create conditions in which a business may grow and change successfully. This finding is in line with the assertions made by Varney (2013).

According to the conclusions of the study, effective communication is essential to the achievement of any change initiative's goals. Effective communication ensures that information is communicated fairly, which in turn creates awareness, alignment to the corporate plan, balance of expectations via alignment of ideas, and ultimately minimizes resistance to change. As the amount of engagement between the different stakeholders is largely responsible for determining whether or not a change is successfully implemented, the communication channel that is chosen for use should be appropriate for its intended purpose and should facilitate directed communication (both downward and upward). These results provide support for the contention advanced by Kimaku (2010) that bottom-up communication is crucial because it provides managers and change management consultants with crucial feedback and information on the progress of the change, perceptions, and the opportunity to clarify gray areas and concerns from stakeholders. The results support Kimaku's argument that bottom-up communication is crucial since it informs managers and change management consultants of the transformation's progress.

The study's results showed that when workers were actively involved in the change effort, transition times decreased. This was because workers were better informed and given with candid feedback as a consequence of their active involvement in the change process, leading to a more gradual and steady acceptance of the change by the workforce.

The amount of dispositional resistance to change was reduced as a result of constructive exchanges that were tailored to the circumstances of the transition, such as conversation sessions. These findings lend credence to Kihara's (2010) claim that employee involvement and participation positively correlate with the success of change management initiatives, while employee involvement and participation negatively correlate with resistance to the change.

It was found that Safaricom Plc has been able to implement differentiation strategy through technology and agile ways of working. The firm has adopted agile ways of working that have driven the effective design, execution and customer feedback in the delivery of its products and services. The firm also implements the ADKAR Model that helps to get change done together with the leaders, managers and staff by taking a clear change journey to successful adoption of the change. The findings agree with to Githumbi, and Ragui, (2017), the implementation of differentiation strategy is utilizing a technique that aims to create goods or services with advantages that are distinct from those offered by rivals and are highly appreciated by purchasers.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMENDATIONS**

#### **5.1 Introduction**

This section provides a summary of the results, along with conclusions, recommendations, and suggestions for further research. The goals of the research served as the basis for deriving both the results and the suggestions.

#### **5.2 Summary of the Findings**

The outcomes of the research indicated that leadership style that was shown by purposeful action was considered to be the most important component in the successful management of strategic change. In addition, it's vital for the firm leaders to have a clear vision, manage key stakeholders, communicate that vision effectively, and use the services of a professional change management consultant to supervise the process of change.

Safaricom Plc makes use of formal communication channels which effectively and contributes positively to the process of change implementation. The direction of the channels that were in place was downhill, upward, or horizontal. When it came to conveying messages to employees lower on the hierarchy, management used downward communication. The workers were able to share their thoughts and suggestions with management through the upward communication channel.

The change management at Safaricom Plc as resulted the firm able to differentiate its product and services in the market. Safaricom Plc has been able to implement



differentiation strategy through agile ways of working. The company has used agile methods of working, which have resulted in more effective product design, customer feedback, and implementation of those designs in the delivery of the company's goods and services hence differentiation of services and products in the market.

### **5.3 Conclusion of the Study**

According to the findings of the research, Safaricom Plc used a variety of change management strategies in order to adapt to an environment that is volatile and always changing. The corporation made this move to guarantee the success of its future plans. With the assistance of a seasoned change management consultant, the company instituted a policy of open and relentless downward and upward communication to increase understanding and achieve better alignment of thought; it also identified and included key stakeholders in the change process, which resulted in low levels of resistance to the strategic shift. Changes at the highest levels of leadership also resulted in the recruitment of visionary and strategic leaders who were responsible for driving the change process and creating an atmosphere that was conducive to its success.

According to the findings of the research, organizational learning may significantly contribute to an increase in innovative ideas inside a company. Learning new things and being innovative are seen as two of the most important sources of change management strategies in the complex and volatile world that exists today. This is because businesses who are able to outthink their competitors enjoy greater levels of success. Safaricom Plc has embraced a culture of continual targeted learning and wide-scale knowledge sharing throughout the business in order to strengthen its strategic competencies. This allows the

company to remain ahead of its rivals in the telecommunications industry by developing novel approaches and creative solutions to meet the needs of its clients.

The final conclusion of the research is that Safaricom Plc is able to maintain its position as a market leader thanks to a product differentiation strategy that distinguishes it from other participants in the telecommunications business. Safaricom Plc differentiates its goods in a variety of ways, including the use of uncommon characteristics, rapid product creation, being at the forefront of technology advancement, and an apparent grandeur and status. The firm has been able to implement the right/targeted initiatives at the right time, optimising resources and leveraging data and insights to enable effective and successful implementation of customer centric differentiation strategy focused on protecting the core as we leverage new growth areas/opportunities.

#### **5.4 Recommendations of the Study**

According to the findings of the research, Safaricom should offer continuous training to employee. The senior management should implement strategic change management programs including: trainings, workshops, conferences, meetings, and workshops with participants from impacted stakeholder groups; continuous and regular communication; participation of impacted parties and other stakeholders; and comments from several concerned parties and stakeholders.

Safaricom Plc should encourage and nurture a culture of where the firm employees are open to change and have positive attitude towards change management. The top management should demonstrate that they are dedicated to the change and set an example by doing so. In addition, management should seek the commitment of workers by

including them in important decision-making processes, including incentives into transformation milestones, and ensuring that awards are proportionate to employees' levels of performance.

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

On the conceptual limitation the study focused only on change management practices which included training programs, leadership style, communication and differentiation strategies. The study failed to address the challenges that Safaricom goes through when implementing change management. The research was hampered by the difficulty of gaining access to sufficient studies that had been conducted in underdeveloped countries and had material that was applicable to the situation in Kenya. Research and discussions with the relevant parties will be conducted in order to overcome the constraint.

On the contextual limitation the study did only focused on headquarters of safaricom and not focusing on other branches county wide of the firm. Only top management were questioned by the researcher who worked for Safaricom Plc. because of this, one may argue that the data that was obtained is skewed since it does not accurately reflect the opinions of middle and junior level workers. In addition, the information that was gathered does not reflect the perspectives of the other stakeholders working at Safaricom Plc.

### **5.6 Suggestions for Further Study**

The topic of this study was the telecommunications business in Kenya; however, the research was limited to a single company and did not include any other companies operating within the same industry as Safaricom Plc. Accordingly, the research suggests

doing a comparable study that also involves other communication companies in order to determine the change management strategies that should be used when putting the differentiation strategy into action.

As a conclusion, the research should entail a mixed approach to be utilized to do this study as a case study method may not have exhausted the problem or given strong data, which is why it is necessary to combine in-depth interviews coupled with surveys in order to maybe aid in solving the concerns.

After the completion of the recently implemented strategy adjustments, Safaricom Plc need to start doing research. This would help put into perspective, within the framework of time, how the company handles the changes to its strategic direction. In addition to this, this will help validate the results of the research by placing them in their proper perspective.

## REFERENCES

- Abdirizak, I. A. (2019). *Effects of generic strategies on competitive advantage in telecommunication industry in Kenya: a case of Safaricom limited* (Doctoral dissertation, United States International University-Africa).
- Adongo, R. A. (2017). *Positioning strategies on mobile money transfer at Safaricom limited* (Doctoral dissertation, University of Nairobi).
- Airtel Africa PLC, (2022). *Annual Report and Accounts*. [online] [https://airtel.africa/assets/pdf/fullreport-2021/Full\\_Report-2021.pdf](https://airtel.africa/assets/pdf/fullreport-2021/Full_Report-2021.pdf).
- Ansoff, H. (2007). *Strategic management*. Springer.

- Aupal, W. K., Ngaka, W., & Odubuker, E. (2016). *Change management practices and performance of selected local governments in eastern Uganda*. Doctoral thesis, Mbarara University of Science and Technology.
- Bakunzibake, P., Grönlund, Å., & Klein, G. O. (2019). Organisational Challenges in the Implementation of ‘one stop’ Government in Rwanda. *Electronic Journal of e-Government*, 17(1), pp1-19.
- Bebchuk, L., & Mark, R. (1999). *A Theory of Path Dependence in Corporate Ownership and Governance*. Economics and Business Discussion Paper Series, Paper 226. Massachusetts: Harvard Law School Press.
- Cherutich, L. J. (2016). *Change management practices at Kenya revenue authority* (Doctoral dissertation, University of Nairobi).
- DiMaggio, P. & Powell, W.W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147-160.
- Fritzenschaft, T. (2013). *Critical success factors of change management: Empirical research in German small and medium-sized enterprises*. Springer Science & Business Media.
- Genc, E. (2017). *Strategy implementation, organizational culture and performance in Turkish local government* (Doctoral dissertation, Cardiff University).
- Gikang’a M. (2020). *Change management implementation practices and performance of public universities in Kenya* (Doctoral dissertation, Kenyatta University).
- Gilbert, P., (2022). *Airtel pays \$40M for Kenyan spectrum*. [online] [https://www.connectingafrica.com/author.asp?section\\_id=761&doc\\_id=779229#](https://www.connectingafrica.com/author.asp?section_id=761&doc_id=779229#):

~:text=Airtel%20Kenya%20had%20about%2016.7,67%25%20of%20the%20mobile%20market. Retrieved on 23<sup>rd</sup> Aug 2022.

- Githumbi, V., & Ragui, M. (2017). Differentiation strategy and performance of large rice milling factories in Kenya. *vol, 19*, 9-16.
- Harun, M. K. (2021). *Institutional Factors and Strategy Implementation in Public Secondary Schools in Selected Counties in Kenya* (Doctoral dissertation, KeMU).
- Hiatt, J., & Creasey, T. J. (2003). *Change management: The people side of change*. Prosci. Chicago.
- Inyang, A. E., Agnihotri, R., & Munoz, L. (2018). The role of manager leadership style in salesperson implementation of sales strategy: a contingency perspective. *Journal of Business & Industrial Marketing*, 33(8), 1074-1086.
- Juma, E. C. (2014). *Organizational change as a strategy for competitive advantage at practical action eastern Africa* (Doctoral dissertation).
- Kaurai, P. M. (2016). *Influence of strategic change management practices on performance of Kenya National Highways Authority* (Doctoral dissertation, University of Nairobi).
- Kaurai, P. M. (2016). *Influence of strategic change management practices on performance of Kenya National Highways Authority* (Doctoral dissertation, University of Nairobi)
- Kihara, S. K. (2010). *Change management practices by the Kenya road authorities* (Doctoral dissertation, University of Nairobi, Kenya).
- Kimaku, P. M. (2010). *Change management practices adopted by Barclays Bank of Kenya limited* (Doctoral dissertation, University of Nairobi, Kenya).

- Kubai, E., Karanja, P., & Kihara, A. (2021). Influence of differentiation strategy on performance of the insurance companies in Kenya. *Journal of Business and Strategic Management*, 6(4), 21-31.
- Lewis, G. (2014). *Organizational Change Management Best Practices*. Retrieved from <http://www.consultparagon.com/7-organizational-change-management-bestpractices>
- Maina, P. K., & Kagiri, A. W. K. (2016). Effects of product differentiation strategies on organizational competitiveness: A case of EABL, Kenya. *European Journal of Business and Strategic Management*, 1(1), 117-133.
- Makena, S. (2021). *Safaricom Plc HY22 earnings expectations note*. [online] <https://www.imbankgroup.com/ke/wp-content/uploads/sites/2/2022/01/IM-Capital-Safaricom-HY22-Earnings-Expectations-Note.pdf>. Retrieved on 22<sup>nd</sup> Aug 2022
- Maosa, H. O. (2015). *Determinants of strategic drift and their effect on performance of commercial banks in Kenya* (Doctoral dissertation, University of Nairobi).
- McGaw, L. N. (2018). *The Influence of corporate governance on the organisation culture in the automotive companies in Kenya* (Doctoral dissertation, Strathmore University).
- Mckeown, M. (2019). *The strategy book*. Pearson UK.
- Mulwa, F. (2015). *Strategic change management: A case of the United Nations office at Nairobi, Kenya*. University of Nairobi, Nairobi, Kenya.
- Muma, T. (2016). *The influence of change management in ERP systems implementation: A case of IFMIS of Kenya*. University of Nairobi, Nairobi, Kenya.

- Muthoki, M. D. (2017). *Strategic change management practices and the performance of tier two and tier three commercial banks in Kenya* (Doctoral dissertation, University of Nairobi).
- Mwaniki, W., & Ogutu, M. (2018). Competitive strategies adopted by mobile phone service providers in Kenya. *The strategic journal of business and change management* 5(2), 2269 – 2283.
- Ole-Kulet, J. L., Wanyoike, D. M., & Koima, J. K. (2019). Effects of best product strategic positioning on organizational performance in telecommunication industry. Kenya. *The Strategic Journal of Business & Change Management*, 6(1), 387- 400.
- Peters, T., Waterman, R., & Philips, J. (1980). Structure is not Organization. *Business Horizons*, 23(3), 14-26.
- Porter, M. E. (1996). Competitive advantage, agglomeration economies, and regional policy. *International regional science review*, 19(1-2), 85-90.
- Raineri, A. B. (2011). Change management practices: Impact on perceived change results. *Journal of Business Research*, 64(3), 266-272.
- Ravanfar, M. M. (2015). Analysing organizational structure based on 7s model of McKinsey. *Global Journal of Management and Business Research: Administration and Management*, 15(10), 17-23.
- Safaricom PLC, (2021). *Tenth sustainable business report*. [online] [https://www.safaricom.co.ke/images/Downloads/Safaricom\\_2021\\_Sustainable\\_Business\\_Report.pdf](https://www.safaricom.co.ke/images/Downloads/Safaricom_2021_Sustainable_Business_Report.pdf).



- Safaricom PLC. (2016). *Safaricom kicks off fifth edition of blaze be your own boss*. [online] <https://www.safaricom.co.ke/media-center-landing/press-releases/safaricom-kicks-off-fifth-edition-of-blaze-be-your-own-boss>. Retrieved on 22<sup>nd</sup> Aug 2022.
- Safaricom PLC., (2021). Standing together: Going Beyond. [online] [https://www.safaricom.co.ke/images/Downloads/Safaricom 2021 Sustainable Business Report.pdf](https://www.safaricom.co.ke/images/Downloads/Safaricom_2021_Sustainable_Business_Report.pdf). Retrieved on 22<sup>nd</sup> Aug 2022
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students*. Pearson education.
- Scott, W. R. (1995). *Institutions and organisations*. Sage publication.
- Taherdoost, H. (2016). Sampling methods in research methodology; how to choose a sampling technique for research. *International Journal of Academic Research in Management (IJARM) Vol. 5, No. 2* pg 18-26.
- Tedla, T. B. (2016). *The impact of organizational culture on corporate performance* (Doctoral dissertation, Walden University).
- UNSAID. (2015). *Change management best practices guide*. Retrieved from <https://www.usaid.gov/sites/default/files/documents/1868/597saj.pdf>
- Ursachi, G., Horodnic, I. A., & Zait, A. (2015). How reliable are measurement scales? External factors with indirect influence on reliability estimators. *Procedia Economics and Finance, 20*, 679-686.
- Utu, J. (2018). *Strategic change management practices and competitive advantage of Safaricom Plc* (Doctoral dissertation, university of nairobi).

- Varney, S. (2013). *A complexity perspective on organisational change: making sense of emerging patterns in self-organising systems* (Doctoral dissertation, University of Reading).
- Velani, M. D. (2018). *Influence of strategic management strategies on organizational performance of private construction firms in Nairobi County* (Doctoral dissertation, United States International University-Africa).
- Verweire, K. (2014). *Strategy implementation*. Routledge.
- Violinda, Q., Dirgantara, I. M. B., & Sufian, S. (2016). Differentiation strategy and organizational culture: Case study of Semarang State University. *International Journal of Economic Behaviour and Organization*, 4(2), 8-17.
- Walala, S. J. (2015). *Effect of change management capacity on the delivery of quality education in public technical and vocational institutions in Kenya* (Doctoral dissertation).
- Wang, X., & Cheng, Z. (2020). Cross-sectional studies: strengths, weaknesses, and recommendations. *Chest*, 158(1), S65-S71.

## **APPENDIX I: INTERVIEW GUIDE**

- a. What is your role in the organization?
- b. How long have you been at Safaricom Plc?
- c. What is your role in the management of change at Safaricom Plc?

### **Section A: Change Management**

1. What types of changes have Safaricom Plc embraced and why?
2. What is the nature of change at Safaricom Plc?
3. Who is involved in change management at Safaricom Plc and Why?
4. Does the organization conduct regular training and programs on its purpose, vision and strategy?
5. Are the staff involved early in the strategy development process? how are they involved?

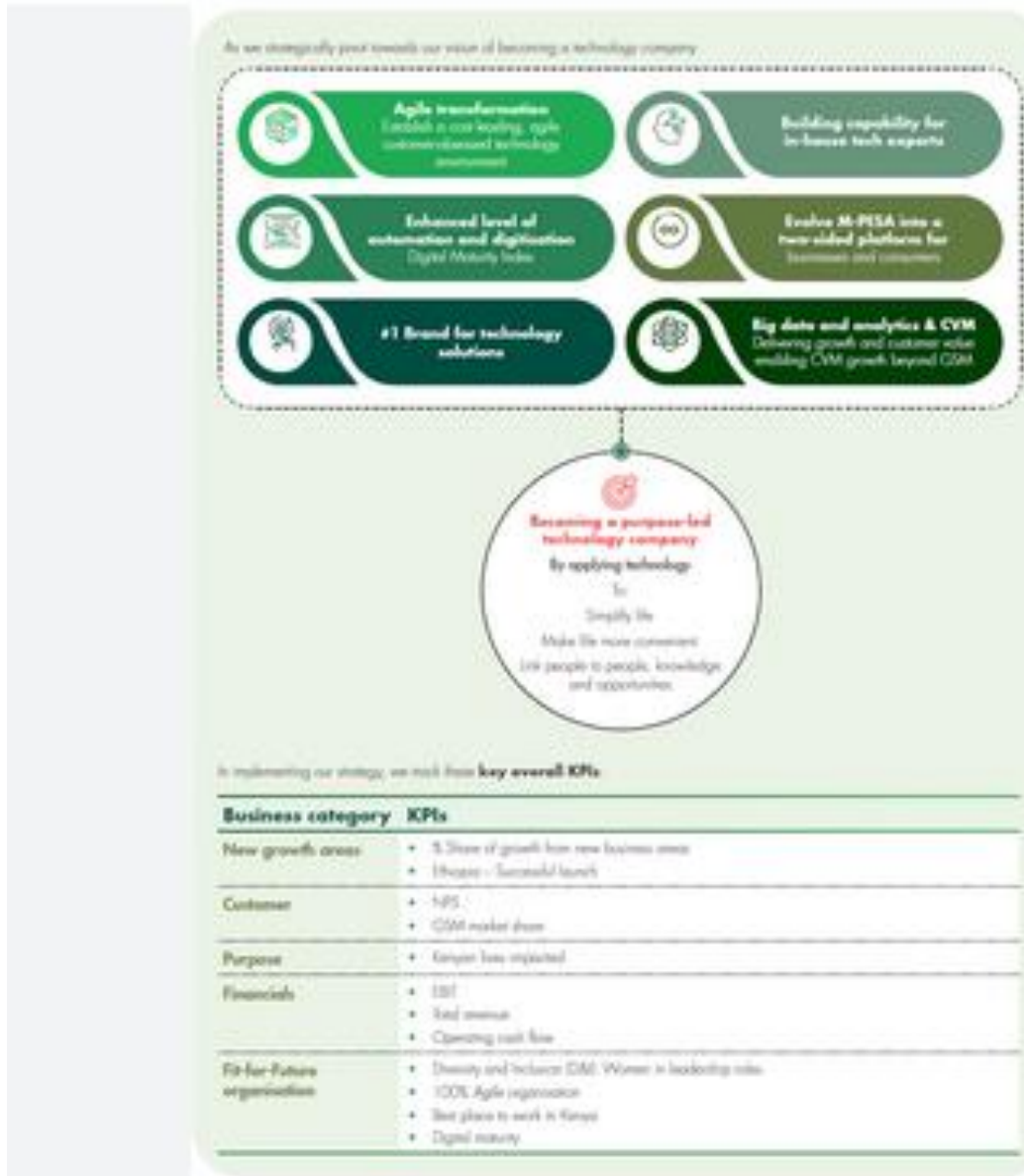
### **Section B: Change Management Practices**

6. In your opinion do you believe that Safaricom Plc is concerned with the people dimension of change management? Explain
7. How does Safaricom Plc prepare to support employees in the implementation of change?
8. Are there elements of downsizing, rightsizing, and down scoping in the implementation of change in Safaricom Plc? How do they show up during the implementation of change?
9. How great of a factor is technology in the implementation of change in Safaricom Plc? Are there specific technologies employed in the realization of change?

### **Section C: Change Management and Differentiation Strategy**

10. In which ways does Safaricom Plc differentiates its products and service?
11. Which change management practices have been implemented in the implementation of differentiation strategy?
12. How have the change management practices influenced the implementation of differentiation strategy?

# APPENDICES



## OUR UNIQUE PROPOSITION

For 19 years, Safaricom Foundation has touched the lives of six million people. We have a footprint in all the 47 counties.

We have learnt from our communities, and by being flexible, we have been able to deliver relevant philanthropic and strategic interventions based on the communities' pressing needs.

We partner with more than 2,000 organisations and leverage our resources – finances, human, technology and networks – to deliver more impact with less, in a sustainable manner.

We take risks and go the extra mile to reach even those in hard-to-reach areas.

We are a catalyst to community investments by the government, donors, peer foundations, academic and research institutions, and civil society.

In this strategy, we prioritise shared value, investing in strategic partnerships, and communities.

We leverage Safaricom Plc's network, technology, services, products, data and analytics for insights to inform investments for value for money, scale, impact and sustainability.

## STRATEGY GUIDING PRINCIPLES



### **Globally and locally engaged**

We align with the Sustainable Development Goals (SDGs) and the national development commitments and blueprints.



### **Environmentally aware**

To mitigate any negative impact of the Foundation's investments on the environment.



### **Catalytic and sustainable**

Provide support and catalyse investments by other resource providers to generate long-term impactful and sustainable results.



### **Bold, agile and innovative**

We make bold decisions and are not afraid to fail forward in the quest to make interventions that will have long-term impact and transform lives.



### **Leveraging technology, services, products, knowledge and assets**

To inform decision-making in development and delivery of impactful and scalable community investments.



### **Rights-based and gender responsive**

To ensure that the Foundation's investments provide equal enjoyment for women, men, girls and boys rights, opportunities and rewards as articulated in Kenya's Constitution and the regional and international conventions and declarations.



### **Integration**

To maximise on the impact of our investments.



### **Evidence Informed**

Evidence generating and result focused to ensure that the Foundation's investments are based on data and rigorous analytics, operational research to achieve and communicate measurable results.