

**CHALLENGES OF STRATEGIC CHANGE MANAGEMENT ON
STRATEGY IMPLEMENTATION AMONG STATE
CORPORATIONS IN KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented to any other institution of higher learning for academic purposes.

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

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DEDICATION

This research project is dedicated to my two lovely daughters Syndy Sandra and Hope Lynsy for their understanding and bearing with my regular absence at home. I cannot forget my dear mother, Phinike Indiaz and posthumously to my late father, Mr. Alex Indiaz for their moral support.

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ABSTRACT

Change Management basically denotes to shifting a person, a team, or an entire company from current state, to the future state. A change management strategy is inclusive of the focused training and communication undertakings required to affect change across a firm. The study was guided by positive model which typifies a significant parting from Lewin's process and the action research model. The purpose of this study was to establish the challenges of strategic change management on strategy implementation among state corporations in Kenya. The study set out to specifically investigate the effects of leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies on strategic change management. In fulfilling the purpose of this study, descriptive research design was adopted. The target population was state corporations in Kenya. Primary quantitative data from 56 Corporations was used. Stratified random sampling was used in the sampling. Primary data was collected using questionnaires containing closed and open ended questions. Quantitative data was analyzed through descriptive statistics analysis method. It was then established that using a multiple linear regression model that Strategic Change Management (dependent variable) was positively affected by leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies as Independent variables was run. The study found and concluded that a unit increase in Organizational structure, Leadership, Organizational Culture and Availability of Core Competencies increases Structural Change Management by 0.448, 0.452, 0.623, 0.479 units respectively. Hence, corporations should consider enhancing these factors to specifically ensure that they have achieved the set implementation goals/objectives. The study recommended that management of the state corporations should increase the allocation to the projects so as adequate resources are allocated to each project, the management of public corporations should steer clear from politics to avoid political interference in the implementation of strategies in the public corporations, the organizations should organize for seminars and workshops where the employees skill will be enhanced through training and that study also recommends that the organizations should sponsor its staff to further education

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Change Management basically denotes to shifting a person, a team, or an entire company from current state, to the future state. A change management strategy is inclusive of the focused training and communication undertakings required to affect change across a firm (Naghibi & Baban, 2011). The strategy should be built taking into consideration a company's culture, values, and political landscapes at a high level, and individual roles and responsibilities and the environments in which they operate at a more micro level. Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented and for achieving lasting benefits of change (Burnes, 2004).

Most planned organizational change is activated by the necessity to react to new challenges or opportunities presented by the external environment, or in expectation of the need to manage impending future difficulties, that would include, uncertain economic conditions, intended government legislation, and new product development by a major competitor or further technological advances. Planned change signifies a deliberate effort to advance, in some significant way, the working efficiency of the business (Mullins, 2010). While addressing the effective implementation of planned change, change management is concerned with the sequence of activities, processes, and leadership issues that produce organization improvements (Cummings & Worley, 2009). The primary focus of change management is on values of cost, quality, and schedule ultimately impacting one or more of the following: processes, systems, and firm's

structure and job roles. While there are numerous approaches and tools implementing change strategy, all of them ultimately prescribe adjustments to one or more of the four parts of the organization above.

Theories of planned change emphasis on how change can be effected in organizations describing events that need to take place to start and carry out successful organizational change (Cummings & Worley, 2009). The current study will be based on two theories of changing: Lewin's change model and the action research model. Lewin's Change Management Model, also known as Unfreeze – Change – Refreeze model, consists of three distinct steps of change that can be planned to implement the change required. The action research model emphasizes on planned change as a recurrent process in which initial research about the organization provides evidence to direct consequent action.

1.1.1 Concept of Strategic Change Management

Strategic change refers to an adjustment in a firm's configuration with its exterior environment (Rajagopalan & Spreitzer, 2004) or the changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages and synergy. Strategic change entails the difference in the form, quality, or state over time in organization's alignment with its external environment (Van de Ven & Poole, 1995). Strategic change is increasingly seen as not only a shift in structures and processes, but also as a cognitive organizational reorientation involving a redefinition of the organization's mission and purpose or a substantial shift in overall priorities and goals (Reger, Gustafson, Demarie & Mullane, 2004). Organizations succeed when the strategic

change adopted for the circumstances they face are feasible in respect to their resources, skills and capabilities and are desirable to the stakeholders. The strategic change programmes arise from organized management strategies such as culture change, business process engineering, empowerment and total quality (Rajagopalan & Spreitzer, 2004).

Other strategic change initiatives are driven by the need for organizations to reposition themselves in the face of changing competitive conditions. However, the track record of success in bringing about strategic change within most organizations has been poor in most organizations since many fail to grasp that they are performing an implementation which actually means turning plans into reality rather than formulation (Reger et al. 2004). Strategic change often involves radical transitions within an organization and encompasses strategy, structure, systems, processes and culture (Kozami, 2002) and aims at achieving organizational effectiveness. Strategic change management therefore, is the procedure, tools and methods to manage the people to rally with organizational change to attain the requisite corporate results in addition to achieving that business change effectively within the social infrastructure of the workplace (Cummings & Worley, 2009). Worldwide, organizational change management is a key concept and it is swayed and affected by several internal and external factors, positively or negatively (Burnes, 2004).

Strategic change management is a well-defined approach to moving individuals, teams and organization from a current state to a desired future state (Carnall, 2003). This

framework encompasses defining new standards and compartments, roles and positions among the employees in a business to overcome resistance to change and to strengthen goal congruence and a common vision between an organization and its clients. The model for a successful change management to occur in an organization that involves five interrelated factors: Environmental assessment-collect and utilize information on internal and external environment; Leading change- creation of a positive climate for change, the identification of future directors and linking together of action by people at all levels in the organization; Linking strategic and operational change; human resources as both assets and liabilities and coherence of purpose(Pettigrew & Whipp, 1993).

Organizations these days are literally fighting against all elements for survival. With the ever changing environment, continuous change must be inculcated in the day-to-day running of organizations if they want to keep pace with the goings on. From information technology (IT) to consumer tastes and preferences, change has affected all elements in the environment. For strategic change to conceptualize, it is essential to change the behavioral patterns of individuals in an organization. The guiding principles in any strategic management process, whether in the public or private sector, are about understanding what changes are needed, how to implement and manage these changes, and how to create a roadmap for sustaining improvements that lead to better performance. However, the difficult part in strategic change management lies in the obstacle of laying a foundation for success in the future while meeting today's obstacles (Karakas, 2010).

1.1.2 Implementation of Strategic Change

Strategy implementation is the process of communicating, understanding, embracing and enacting strategic plans (Noble, 1999). Strategy implementation is a key constituent of the strategic change management practice and is seen as the process that turns the formulated strategy into a series of actions and then results in ensuring that the vision, mission, strategy and strategic objectives of the organization are achieved successfully as planned (Thompson & Strickland, 1993). This must be complemented by the organizational capability to recognize the right employee for the right job and to educate them on how to succeed at the tasks assigned to them (Christensen & Overdorf, 2000). According to Noble, (1999) the real obstacle is in implementing strategic plans rather than formulating them.

Organizations that implement their strategic plans accomplish superior results than those that don't implement. These strategies however often fail owing to glitches faced at the implementation phase (Al-Kandi, Asutay, & Dixon, 2013). Strategy implementation is frequently supplemented by changes in the organization procedures, business systems and structures and as such the management must make astute resolutions as such changes would affect the human resource and overall implementation of the strategy. Strategy implementation is a vibrant, interactive and multifaceted procedures consisting of a series of assessments and actions by executives and workforces aimed at turning strategic change into actuality in order to attain strategic objectives and it could be affected by various factors within and outside the organization (Li, Guohui, & Eppler, 2008).

Successful implementation is critical to state corporations as well as to other non-state actors, that notwithstanding, strategic change implementation has devolved to a momentous organizational challenge faced by all organizations (Barasa & Ombui, 2014). State corporations have best strategies but results of all organizations are not rewarding in accordance to long term objectives (Mbaka & Mugambi, 2014). This may be ascribable to a number of challenges. For corporations to accomplish credible level of strategy implementation, they must assign and skillfully handle adequate possessions but not limited to monetary, human capital and technical backing. State corporations must ensure organizational structures are in place and allocate duties and unambiguous responsibilities to definite teams and individuals (Amboga, 2009).

1.1.3 State Corporations in Kenya

State Corporations commonly referred to in as parastatals in Kenya are established within the provision of State Corporations Act Chapter 446 of the laws of Kenya, and given the autonomy to run and execute on specific mandates in order to improve service delivery to the public. To address the challenges of conflicting definition of what a state corporation is in the Kenyan context, the (Report) indicated that all entities previously known as State Corporations will be referred to as Government Owned Entities (GOEs). And clustered them in four (4) broad classifications: State Corporations, State Agencies, County Corporations and County Agencies (Republic of Kenya, 2013).

There 156 State Corporations in Kenya today which are divided into eight broad functional categories based on their mandate and core functions; the eight categories

are: Financial Corporations, Commercial/ manufacturing Corporations, Regulatory Corporations, Public universities, Training and research Corporations, Service Corporations, Regional development authorities, Tertiary education and Training Corporations (Republic of Kenya, 2013). Government owned entities play key role in Kenya's National development efforts. According to Republic of Kenya (2013), state corporations are important in promoting and accelerating economic growth and development, building capacity in facilitating the development, improving the delivery of public service, creation and affording employment opportunities and building of international partnerships.

The performance of State Corporations (SCs) has been a matter of on-going concern in an environment of resource scarcity and mounting needs. The (report) identified a number of challenges and policy issues afflicting the GOEs in their quest to achieve their mandate which included among others, Poor governance leading to resource loss and burdening the public purse, absence of clarity on the role corporations play in the economy, inadequate relationship between state corporations activities and national development goals, conflicting definition of what a state corporation is in the Kenyan context compounded by multiple legal and regulatory regimes creating significant ownership and inadequate policy and policy coordination leading to poor definition of mandates, conflicts in mandates, as well as fragmentation of mandates that facilitate the proliferation of poorly resourced State Corporations (Ongeti, 2014).

1.2 Research Problem

Since change originates within the organization itself, some of this change can be managed through careful planning. However, the main pressure of change is from external forces, hence the organization must be properly prepared to face the demands of a changing environment. It must give attention to its future development and success; this includes public sector organizations and the state corporations. Public sector executives face unique obstacles in managing change, in part because of entrenched civil service bureaucracies, procedural constraints such as managing performance and firing employees, and dealing with many different stakeholders with competing priorities. The ability to adapt to changing work conditions is key for individual and organizational survival (Mullins, 2010). Strategic change has become a constant phenomenon which must be addressed by organizations in all sectors and industry if an organization is to remain competitive.

In spite of the attention that the management of change has received, organizations continue to have problems in managing organizational change and the search for generalized laws of change still pervades the discipline (Wilson, 1992). There are several challenges which act to constrain strategic change management in State corporations. Lack of strength in organizational leadership or managerial style to overcome crises in the business and organizational systems is one of these challenges (Burns, 1996; De Wit and Meyer 2010). Not allocating resources (including rewards) or core competencies effectively usually lead organizations to face hurdles during strategic change management initiatives (Burke et al, 2009; Sugarman,2010). Strategic change may also

not succeed if an organizational culture or pattern of behavior developed by an organization is antagonistic to the proposed strategy (Burns, 1996; Senior & Swailes, 2010). Organizational structure dictates how policies and objectives are established. However, when an organization changes its strategy, the existing organizational structure may become ineffective (Wendy, 1997; Hitt et al, 2005).

Research undertaken internationally by Paton and McCalman (2000) indicated that one-half to two-thirds of all major corporate change efforts fail and resistance is the little-recognized but critically important contributor to that failure. Similarly, Burnes (2004) found failure of the management and workers to be a major obstacle to the application of strategic change management practices in the Australian banking industry. There is evidence to suggest that the universal model of change management is inadequate to describe the diversity of approaches actually used by organizations (Chapman, 2005).

Locally, various studies have been conducted on strategic change management practices. Mutambuki (2011) did a study on obstacles of strategy implementation at the Kenya Pipeline Company Limited and found out that some of the obstacles were due to the strategy implementation process and others distinctive to KPC's nature of operations. However, it was not clear whether the same challenges would affect other state corporations. Munjua (2012) sought to establish the obstacles of adopting various strategic change management practices at Agency for Cooperation and Research Development in Kenya, (ACORD). The findings revealed that there were a number of obstacles facing the agency during strategic change management including scarcity of

finances, resistance to change from the stakeholders, cultural diversity and leadership. However, ACORD is a nongovernmental organization based in Nairobi and it is not clear whether the findings are applicable to Kenya's Public sector.

In a study on challenges of strategy implementation in the Kenya Education Sector Support programme, Peter (2012) found out that strategy implementation was affected by poor allocation of resources, lack of consensus between parents and the government on the concept of cost sharing, lack of employee commitment and organizational culture regarding the aspect of decision making. However, the study concentrated on Kenya Education Sector Support Program and therefore the findings cannot be generalized because other government institutions and sectors face varied challenges.

Despite several studies on strategic change management, the researcher has not come across a study that has been done on obstacles of strategic management change implementation among State Corporations in Kenya. The State Corporations are facing a continuous process of change globally. This study sought to fill the research gap that exists by carrying out a survey on the obstacles of strategic management change implementation among by Kenya's state corporations. This study answered the research question, what are the challenges faced by the Kenya's state corporations in managing strategic change and strategy challenges implementation?

1.3 Research Objectives

To establish challenges of strategic change management on strategy implementation among state corporations in Kenya.

1.4 Value of the Study

The findings of the study are of importance to policy makers and stakeholders in state corporations. By establishing the obstacles of strategic change management on implementation among state corporations, the findings of the study will be a key ingredient in the; planning, designing and implementation of a sound change management strategy that will align itself to the overall economic strategy. Also, through this study leaders and managers in state corporations may learn and make responsible strategic plans and policy decisions that are meant to facilitate and sustain high organizational performance, and manage organizational and national resources so that corporations and societies can benefit from them in the future.

Scholars, students and other researchers may also find the study helpful to identify further areas of research built on the findings of this research. The study may be a source of reference material for future researchers on other related topics; it may also help other academicians who undertake the same topic in their studies. The study may also highlight other important relationships that require further research; this may be in the areas of relationships between strategic planning practices and organizational performance.

The findings from the study may particularly be useful in providing additional knowledge to existing and future organizations on change management strategies adopted to enable them remain competitive. This study may also be beneficial to all state corporations both large and small since they would enhance the realization on planned change measures that are majorly employed. The findings may also shed light on the results of Kenya Government's reforms which led to the current status of the organizations of study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theories the study is built on, the past studies on strategic change management practices and the obstacles encountered in organizations. The specific areas covered are change management in organization, challenges of strategic change management and strategy implementation.

2.2 Theoretical Foundations

This study is to be anchored on Lewin's change model, and the positive model.

2.2.1 Lewin's Change Model

Change comprises a structure of organizational practices that ensues over a period of time (Lunenburg, 2010). And the Lewin's model offers a broad structure for understanding this change. Lewin viewed this change process as consisting of a simple and easy-to-understand framework for managing change known as Unfreeze – Change – Refreeze (Lewin, 1951). The first step, unfreezing, typically embroils decreasing those powers upholding the organization's behavior at its present level. Unfreezing is occasionally achieved over a route of psychological disconfirmation (Lunenburg, 2010). By introducing material that shows inconsistencies amid behaviors preferred by organization members and those behaviors currently displayed, participants can be inspired to participate in change undertakings. Change step modifies the activities of the business, section, or individual to a new level. It comprises superseding in the

organization to cultivate new deeds, standards, and outlooks through variations in organization structures and practices. The final step, refreezing, steadies the business at a new state of balance. It is often accomplished through the use of ancillary mechanisms that strengthen the new organizational equilibrium, such as organizational culture, rewards, and structures (Cummings & Worley, 2009).

Since the trio phases of Lewin's framework are relatively broad, considerable effort has gone into elaborating them. The planning framework advanced by Lippitt, Watson, and Westley in 1958 positions Lewin's model into seven stages: scouting, entry, diagnosis (unfreezing), planning, action (changing), stabilization and evaluation, and termination (refreezing) (Cummings & Worley, 2009). Similarly, Kotler's eight stage process can be traced onto Lewin's phases: establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, and communicating the change vision (unfreezing); empowering broad-based action, generating short-term wins (changing); and consolidating gains and producing more change, and anchoring new approaches in the culture (refreezing)(Cummings & Worley, 2009).

2.2.2 The Positive Model

The positive model, typifies a significant parting from Lewin's process and the action research model. The two frameworks are predominantly having a negative outlook to the organization as they pay attention to the organization's problems and how they can be resolved so it functions better. The positive process concentrates on what the organization is doing right. It assists staff to appreciate their business when it is at its peak and

concentrates on those competences to realize even healthier outcomes. This positive model to change is line with an upcoming model in the social sciences called positive organizational scholarship, which emphases on positive dynamics in organizations and results to even better resorts (Cameron, Dutton, & Quinn, 2003). Research on expectation effects shows that people tend to act in ways that make their expectations occur. Thus, positive expectations about the organization can create an expectation that invigorates and guides conduct in the direction of making those beliefs happen (Cummings & Worley, 2009).

The positive model has been used to plan change mainly through a model called appreciative inquiry that clearly instills a positive value placement into examining and shifting organizations which encourages a positive orientation to how change is conceived and managed (Burnes, 2004). The positive model of planned change involves five stages (Cameron, Dutton, & Quinn, 2003). The first two steps are to initiate an inquiry to determine the subject of change and inquire into best practices. Thirdly, members scrutinize the themes for moving from current to the preferred position. Members then examine the identified themes, challenge the status quo, and describe a compelling future. Based on the organization's successful past, members collectively visualize the organization's future and develop possibility propositions—statements that bridge the organization's current best practices with ideal possibilities for future organizing.(Cameron, Dutton, & Quinn, 2003). The final phase involves the design and delivery of ways to create the future. It describes the activities and creates the plans necessary to bring about the vision.

2.3 Change Management in Organizations

The concept of change management can be defined as a structured and synthesized approach to achieving a sustainable change in human behavior within an organization (Todd, 1999). Management of change cannot be performed in an adhoc manner, but is a structured process of managing the people, business processes and technology in response to the changing environment so as to align business strategies to the environment and enhance competitiveness in the market. Change management is a basic skill in which most leaders and managers need to be competent. Bandura (1986) argued that when an organization is going through change, it is time for management to exercise leadership. Leaders should become the role models for the rest of the staff and exhibit behaviors that demonstrate what is expected from employees in relation to the change. Also during a time of organizational change, management needs to send positive messages about the change itself. Robbins (2005) emphasizes the fact that some sort of reinforcement is necessary to produce changes in behaviour, so management needs to be very active during change phases to institute reinforcement tactics.

An organization can change its structure and policy by simply writing new rules and procedures, but the workers are not going to change quite as easily. That is where the link between learning theories and organizational change really is and where reinforcement comes in as a vital part of organizational change. Whether it is negative or positive, some reinforcement is going to have to be put into place for employees to successfully adapt to changes in the organization (Dent, 2003).

According to Amnesty international (2013), the pace of reforms in the Kenya police service has been hampered by corruption, failure to adhere to the new constitution, structural challenges, lack of compliance with the law, lack of vetting, ongoing police impunity, lack of resources and lack of public confidence among others. Fullan and Miles (1992) while studying the reform process in the education sector in Toronto discovered that faulty maps of change, complex problems, symbols over change, impatient and superficial solutions, misunderstanding resistance, misuse of knowledge about change management process among other factors are the main reasons why change management process is usually faced with challenges.

2.4 Challenges of Strategic Change Management

Keeping and maintaining high energy during a major organizational change or a transformation can be a very challenging task to all stakeholders. At first the recipients of the change may exhibit excitement and anxiety but after sometime their interest starts depreciating to lower levels and at times to near disillusionments especially when the outcomes don't meet their expectations. He identified constant change communication, management support and resources as the major challenges facing organizations in the process of change management (Burke et al, 2009).The following are some of the main obstacles that organization faces in management of change.

2.4.1 Organization Leadership

Leadership is a process of influencing others and agreeing about what needs to be done and how it can be done effectively and the process of facilitating individuals and the

collective efforts to accomplish the shared objectives (Yang, Zhao, and Baron, 2007). Leadership assumes three main dimensions which are task oriented leadership, relationship oriented leadership and change oriented leadership. Task oriented leadership is primarily concerned with accomplishing the task, utilizing the personnel and resources efficiently and maintaining orderly reliable operations (Hay & Hodgkinson, 2006). Change oriented leadership is concerned with improving strategic decisions, adapting to change in the environment, increasing flexibility and innovation, making major changes in processes, products or services and gaining commitment to change. According to Senge et al (1999), change driven by authority is more efficient to organize, often effective in the short run, and more immediately comfortable for people in many organizations.

In these changing times it is hard to find a firm which has survived that has no leadership development strategy in place. It is important for the management team to be able to handle difficult questions about people and their development. Leadership is not just about the leaders themselves but also about creating a culture of performance. Change management demands strong leadership to rapidly push through stressful, discomfoting and risky shifts in the business and organizational system. Battling the sources of rigidity and turning crisis into opportunity are the key qualities needed by managers implementing and managing change in an organization. Ultimately managers should know when to change and when it is wiser to seek stability, they should also know when to trigger a change and when to avoid one (De Wit and Meyer 2010).

2.4.2 Core Competencies

These are the well trained and skilled manpower able to successfully oversee and manage the organizations change initiative. An organization with highly skilled staff tends to get positive results during a change process unlike an organization with poorly staffed and trained personnel. Serious organizations have even gone a step further to setting up special offices or department staffed with qualified employees trained to handle change management issues within the organization (Luthans,2008). It is said that technology makes life smooth and easy. This concept also applies to a change management process. An organization with good and updated technology system usually has an upper hand over technologically weak organizations not only in competition but also in the whole process of management of change. With good technology an organization is able to easily implement, monitor and evaluate a change process it has undertaken (Hitt et al, 2005).

According to Denrell (2004), in his study resources and returns, he explores the usefulness of analyzing firms from the resource side rather than from the product side. He concluded that resources such as brand names, technology, skilled personnel, trade contacts, machinery, capital and efficient procedures are the foundation for attaining and sustaining strong change initiative and high performance of a firm. A firm's resource include all assets, capabilities, organizational processes, firms attributes, information, and knowledge controlled by a firm that enable a firm to conceive and implement strategies that improve its efficiency and effectiveness. Good resource should have value, be rare, not easily imitated, and not easily substitutable. Poorly resource endowed organizations usually face a lot of hurdles when it start any change initiative. For easy and successful

change management process the security organization must set aside a considerable amount of its resources to support it. Failure to invest enough in the process the change initiative is bound to fail miserably (Sugarman, 2010).

2.4.3 Organizational Culture

According to Patterson, Warr and West (2004) Organizational culture can be defined as a pattern of behavior developed by an organization as it learns to cope with its problem of external adaptation and internal integration that has worked well enough to be considered valid and to be taught to new members as the correct way to perceive, think, and feel. Organizational culture can also be referred to as the world view and behavioral patterns shared by the members of the same organization. As people within an organization interact and share experiences with one another over an extended period of time they construct a joint understanding of the world around them. This shared belief system will be emotionally charged as it encompasses the values and norms of the organizational members and offers them an imperative filter with which to make sense of the constant stream of uncertain and ambiguous events around them. As this common ideology becomes stronger and becomes more engrained, it will channel members' actions into more narrowly defined patterns of behavior.

As such organizational culture can strongly influence everything from how to behave during meetings to what is viewed as ethical behavior. Organizational culture manifested in a variety of human resource practices, is an important predictor of organizational change management success. Potosky and Ramakrishna (2001) argue that organizational

culture clearly influences the success of an organization change management process. Organizations often build positive organizational culture through communication, values, norms policies and programmes and leadership. Key indicators of organizational culture to be studied here include organizational attitudes, values, beliefs, history, norms, symbols and rituals.

Nadler and Tushman (1980) said organizational culture significantly affects organization decisions and, thus, must be evaluated during an internal strategic-management audit. If strategies can capitalize on cultural strengths, such as a strong work ethic or highly ethical beliefs, then management often can implement changes swiftly and easily. However, if the firm's climate is not supportive, strategic changes may be ineffective or even counterproductive.

An organizations culture can become antagonistic to new strategies, with the result being confusion and disorientation. An organization's culture should infuse individuals with enthusiasm for implementing and managing change. Structural characteristics as well as attitudes, beliefs and values are more likely to act as barriers to an effective change management programme. Assessing cultural risk helps management pinpoint where resistance to change could occur because of incompatibility between strategy and culture, this allows managers to make choices regarding whether to ignore the culture, manage around the culture, change the culture to fit the strategy or change the strategy to fit the culture (Senior & Swailes, 2010).

2.4.4 Organizational Structure

Organizational structure refers to the clustering of tasks and people into smaller groups. All organizations need some division of labour in order to function efficiently and effectively requiring them to structure the organization into smaller parts. In organizations managers are appointed with specific task of supervising the various people or units and to report to managers higher up in the hierarchy. Depending on the span of control of each manager an organizational structure will consist of one or more layers of management (De Wit and Meyer, 2010).

Organizational structure specifies the firm's formal reporting relationships, procedures, controls, authority and decision making processes. Developing a structure that supports a firm's change initiative is difficult especially because of the uncertainty in the ever changing and dynamic environment. Thus organizational structure is a critical component of a successful change management process. Effective structures provide stability the firm needs to successfully oversee change process and at the same time maintain its competitive advantage and developing new ones. Top level managers hesitate that there are problems with the organizations structure in that doing so suggests that their previous choices were not the best ones. Because of these inertial tendencies, structural change is often induced instead by the actions of stakeholders who are no longer willing to tolerate the firm's performance (Hitt et al 2005).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methodology that will be used in the study. It covers research design, target and study population, sampling techniques, research instruments, data collection and data analysis.

3.2 Research Design

A research design is defined as the blue print and a detailed plan of how a research study is to be conducted (Neuman, 2006). The study used descriptive research design in collecting primary data from the respondents. The descriptive research design is preferred because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2003).

3.3 Target Population

The target population consisted of all the state corporations located throughout the country. There are currently one hundred and fifty six state corporations as contained in the population frame provided by the office of inspector general of State Corporation. (Republic of Kenya 2016) www.scac.go.ke.

3.4 Sampling Design

The study used cluster sampling techniques where all the 156 state corporations were assumed in the study. The research then applied stratified random sampling method which was used to select a sample that represented the entire population because the

population was heterogeneous. Cooper and Schindler (2007) observed that in order for generalization to take place, a sample of at least 30 elements (respondents) existed. Kothari (2008) also argues that if well chosen, samples of about 30% of a population is considered representative of the population under investigation and often give reliable results. This study took 50% of the total target population of 156 state corporations totaling to a sample of 78 state corporations.

3.5 Data Collection

Primary data was collected using questionnaires containing closed and open ended questions. A questionnaire is considered appropriate tool for data collection because it was easy to administer, analyze, and cost effective. Prior informed consent was obtained from each respondent before the questionnaire is given to them. Thereafter, the questionnaire was pretested on ten state corporations which were not part of the final sample to ascertain the thinking behind the answers so that the researcher could accurately assess whether the questionnaire would be filled out properly, whether the questions are actually understood by respondents, and whether the questions asks what the researchers intents. As a result of the pilot test, initial changes were made to the identified problems in the research instrument.

The questionnaires were administered through drop and pick method and were given to respondents who consisted of one manger drawn from each of the state corporations. The respondent was Company Secretary, Human Resource Manager, Finance Manager and

Head of Operations. The questionnaires were then picked later after they had filled them. Each respondent received the same set of questions in exactly the same way.

3.6 Data Analysis

The study collected quantitative data. The questionnaires were coded and edited for consistency and completeness. Quantitative data was analyzed through descriptive statistics analysis method. Descriptive analysis technique is used to give simple summaries about the sample data and presents quantitative descriptions in a manageable form. The analysis was done using Statistical Package for Social Sciences (SPSS). The descriptive statistics included mean, standard deviation, coefficient of variation, frequencies and percentages and were presented in tables, pie charts, and diagrams. Diagnostic tests of normality, were presented before running the multiple regression in which Strategic Change Management was the dependent variable while independent variables included leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies.

The researcher applied the regression model below to explain the strength of independent variables (Leadership, Organizational Structure, Organizational Culture, and Availability of Core Competencies) on the dependent variable (strategic change management). The regression equation was given by;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots + \beta_n X_n$$

Where: Y = Dependent Variable

X_{1-n} = independent variables

β_0 = the constant

β_{1-n} = the regression coefficient or change included in Y by each

ϵ = error term

Y= Strategic Change Management

X₁-Leadership

X₂ - Organizational Structure

X₃- Organizational Culture

X₄- Availability of Core Competencies

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter has two main objectives: It first presents preliminary findings of the study and secondly these findings form the basis of undertaking further analysis to test the study hypotheses. Through the use of descriptive and inferential statistics, this chapter provides the premise on which further statistical operations and analyses were carried out to test the study hypotheses. Findings of the pre-tests reliability and validity are presented. The details of descriptive analysis using frequency distribution tables, descriptive statistics using means and t-tests Cronbach alpha are presented.

4.2 Response Rate

The population for the study was all the state corporations in Kenya which were 156 as at August 2016. The research was conducted on sample size of 78 respondents out of which 56 respondents completed and returned the questionnaires duly filled in making a response rate of 71.8%.Mugenda and Mugenda (1999) stated that a response rate of 50% and above is good for statistical reporting.

4.3 Reliability Test

Reliability is a measure of extent to which a research instrument yields consistent results or data on repeated trials (Mugenda and Mugenda, 2003). A pilot study was conducted on ten (10) corporations. Cronbach's alpha coefficient which is used to assess the internal consistency among research instrument items was used to test whether the variables are

within the acceptable range. The Cronbach's (alpha) coefficient ranges from zero to one where zero means no consistency and one means there is complete. The closer the Cronbach Alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale and the closer the Cronbach coefficient is to zero (0), the less the internal consistency of the items in the scale. Table 1 presents the Cronbach's values of the questionnaire items.

Table 4.1: Results of Reliability Test

Variable	Number of items	Cronbach's Alpha	Decision
Strategic Change Management	4	0.501	Reliable
Leadership	6	0.535	Reliable
Organizational Structure	5	0.622	Reliable
Organizational Culture	6	0.581	Reliable
Availability of core Competencies	4	0.775	Reliable

Source: Field Data (2016)

This study adopted a Cronbach's (alpha) lower limit of from 0.5. Table 4.1 presents the alpha values of the questionnaire items. The results of reliability tests shown in Table 4.1 indicate that Availability of core Competencies and Organizational Structure had the

highest reliability respectively having Cronbach alpha coefficient of 0.775 and 0.622. Strategic Change Management at 0.500 had the least level of reliability.

4.4 Validity Test

Validity is the degree to which the results obtained from the analysis of the data collected represent the phenomenon under study (Mugenda & Mugenda, 2003). It is also the ability of a research instrument to measure what is supposed to measure with precision (Babour, 1998; Cooper and Schindler, 2006). Validity can either be: face validity, content validity, criterion validity or construct validity.

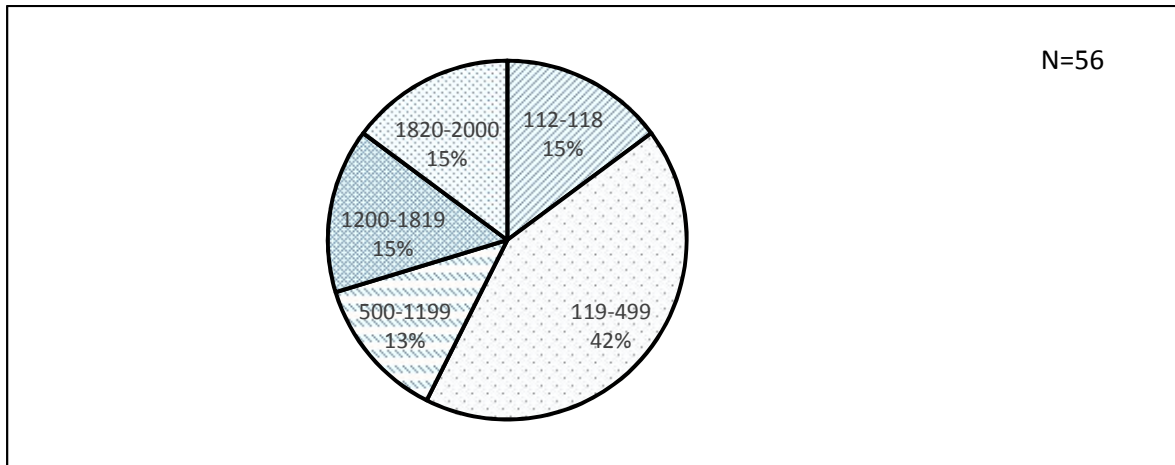
Face validity and content validity of the research instrument were enhanced using expert opinion obtained during various proposal examination at the University of Nairobi through departmental, open forum and doctoral committee presentations. Additionally a pilot study was conducted by subjecting the instrument to a small sample of ten organizations to enhance content validity and determine respondent's understandability of the questions. Finally, the instrument customized questions from prior studies to enhance criterion and construct validity.

4.5 Organizational Demographic Profiles

The demographic profiles section evaluated the general information of the organizations in terms of the number of staff, annual turnover, departments in the organization and location of headquarters.

4.5.1 Number of staff

Figure 4.1 shows results of the number of staff in State Corporations.



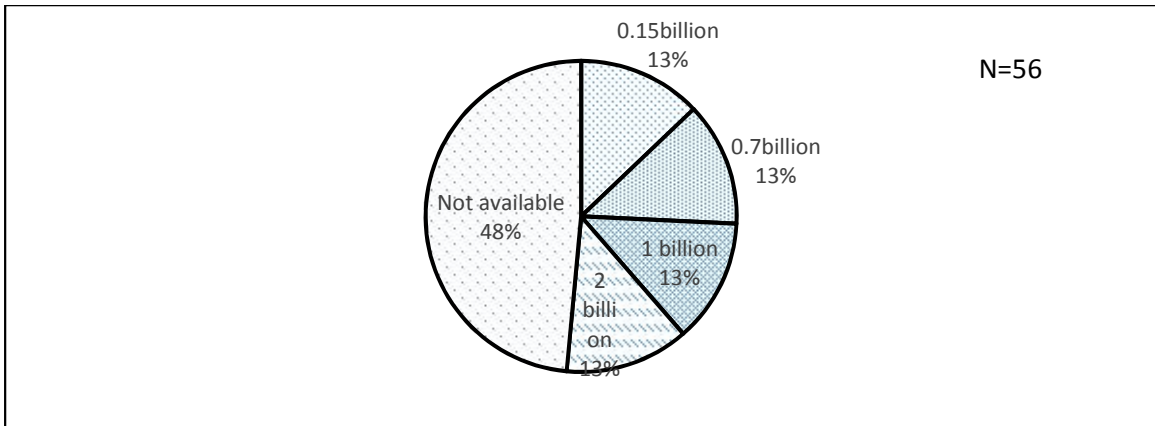
Source: Field Data (2016)

Figure 4.1: Number of employees

Most State Corporations had between 119 and 499 employees at 42%. 43% of state corporations had more than 500 employees while only a quarter of them had less than 119 employees.

4.5.2 Annual turnover

Respondents were asked about the annual turnover level of their organizations. These results are presented in Figure 4.2. Turnover is an indicator of competence.



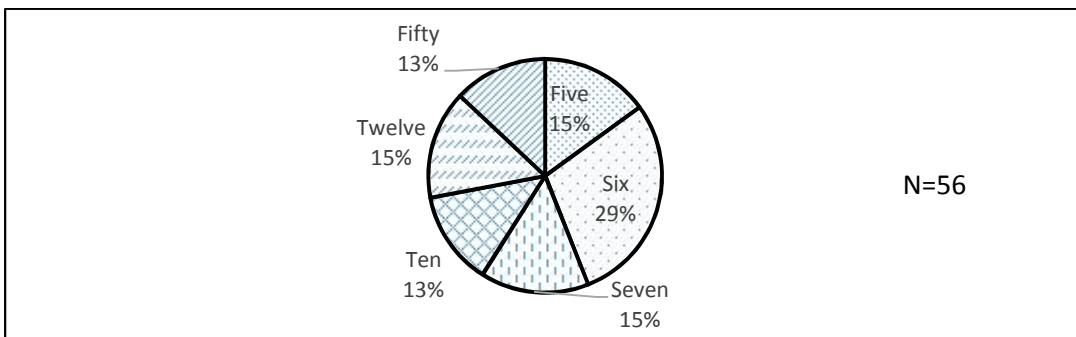
Source: Field Data (2016)

Figure 4.2: Annual Turnover (billions of Kshs)

Almost half of the corporations declined to disclose their annual turnover. Of those that disclosed, there is an even distribution of earning at 13% as per figure 4.2.

4.5.3 Number of departments

Figure 4.3 shows results of respondents on the number of departments per organization.



Source: Field Data (2016)

Figure 4.3: Number of departments per corporation

A third of state corporations have six departments while 15% of them have five, twelve and seven departments respectively.

4.5.4: Headquarters of State Corporations

All the state corporations covered in this study had their headquarters in Nairobi.

4.6 Descriptive Statistics

Descriptive statistics comprising of means, coefficient of variation (CV) and standard deviation were used on all the variables; dependent and independent variables. Figures and graphs were also used to elaborate some variables.

4.6.1 Strategic Change Management

This study sought to establish the extent of implementation of strategic change. A likert scale ranging from 1 to 5 as follows was used: where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD). Key subsections of Strategic Change Management were goals/objectives, correct allocation of resources, reviews/measurement process and continuous improvement. Table 4.2 indicates the results of the responses over these issues.

Table 4.2: Descriptive Statistics for Strategic Change Management

Variable	N	Mean	Standard deviation	Coefficient of Variation
The corporation has achieved the set implementation goals/objectives	56	3.8974	0.7827	0.2008
The corporation has effectively allocated resources and responsibilities for implementation	56	4.3077	0.6508	0.1510
The corporation has established reviews/measurement process of the strategic implementation	56	4.1154	0.3596	0.0874
The corporation has established evidence of continuous improvement arising from the implementation of strategic change	56	4.3589	0.7020	0.1610

Source: Field Data (2016)

From our analysis in table 4.2 above, there was an agreement that the corporations under study had achieved their objectives. For instance, there was a general agreement that corporations effectively allocated resources, they established reviews/measurement process and they established evidence of continuous improvements arising from implementation of strategic change. Hence, there is need for corporations to implement several strategies meet their goals.

4.6.2 Leadership

This study sought to explore the effect of leadership on strategic change management. A likert scale ranging from 1 to 5 as follows was used: 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD). Key subsections of leadership were compelling mission/vision, development of effective strategy by management, supportive culture, appropriate and supportive organizational structure, effective allocation and utilization of resources and commitment by the leadership. Table 4.6 indicates the results of the responses over these issues.

Table 4.3: Descriptive Statistics for Leadership

Variable	N	Mean	Standard deviation	Coefficient of Variation
The corporation leadership has created a compelling Mission/Vision for the organization that support implementation of strategic change	56	4.6282	0.4864	0.1051
The leadership has developed effective strategy for the development of the strategic change	56	4.3718	0.4864	0.1113
The organization leadership has engineered the development of Culture that is supportive of strategic change implementation	56	4.1282	0.3365	0.0815
The organization leadership has facilitated the development of organization structure that is appropriate and supportive of strategic change implementation	56	4.1153	0.6026	0.1464
The leadership has ensured effective allocation and utilization of resources that enhance strategic change implementation	56	4.3846	0.8563	0.1953
The leadership is committed to the implementation of strategic change evidenced by their actions	56	3.9872	0.8753	0.2195

Source: Field Data (2016)

There is agreeable response on whether the leadership is committed to the implementation of strategic change as per their actions. This indicator also had the highest variation among respondents. On the contrary, it was strongly agreed that the leadership had created compelling mission/vision while the respondents agreeing on developed effective strategy, engineered the development of culture that is supportive, facilitated the development of organization structure that is appropriate and supportive and had ensured effective allocation and utilization of resources. The least variation was on the role of leadership in engineering the development of Culture that is supportive of strategic change implementation.

4.6.3 Organizational Structure

This study sought to explore the effect of organizational structure on strategic change management. A likert scale ranging from 1 to 5 as follows was used: 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD). Key subsections of Organizational Structure were facilitated efficiency in the organization, enhanced clarity of purpose, enhanced coordination of functions and objectives, enhanced proper exercise of authority and improved organization process and system effectiveness. Table 4.7 indicates the results of the responses over these issues.

Table 4.4: Descriptive Statistics for Organizational Structure

Variable	N	Mean	Standard deviation	Coefficient of Variation
The organization structure has facilitated efficiency in the organization thus enhancing the implementation of strategic change	56	4.1632	0.7208	0.1802
The organization structure has enhanced the clarity of purpose and thereby improved the implementation of strategic change	56	3.7564	0.7059	0.1879
The organization structure has enhance the coordination of functions and objectives aimed at meeting the objectives of the implementation of the strategic change	56	3.8975	0.6156	0.1579
The organization structure has enhanced the proper exercise of authority in the implementation of the strategic change	56	4.1282	0.7272	0.1762
The organization structure has improved organization process and system effectiveness in achieving the objectives of the strategic change implementation	56	3.9487	1.2156	0.3079

Source: Field Data (2016)

There is an agreement that the organization structure has facilitated efficiency in the organization and enhanced the proper exercise of authority in the implementation of the strategic change. However, there is a neutral response on the impact of organization structure in enhancing the clarity of purpose, enhancing the coordination of functions and objectives and improving the organization's process and system effectiveness in achieving the objectives of the strategic change implementation. The later had the highest variation while enhancement of the coordination of functions and objectives had the least variation.

4.6.4 Organizational Culture

This study sought to explore the effect of Organizational Culture on strategic change management. A likert scale ranging from 1 to 5 as follows was used: 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD). Key subsections of Organizational Culture were; facilitated maximum communication, facilitated effective decision making, improved organizational control, enhanced cooperation and commitment, focused on enhancing of efficiency and effectiveness in the operations and creation of a conducive organization climate. Table 4.5 indicates the results of the responses over these issues.

Table 4.5: Descriptive Statistics for Organizational Culture

Variable	N	Mean	Standard deviation	Coefficient of Variation
The organization culture has facilitated the maximization of communication in the organization ensuring effective implementation of strategic change	56	4.1539	0.9128	0.2197
The culture has facilitated effective decision making supportive of the implementation of strategic change	56	3.3718	0.7045	0.2089
The culture has improved organization controls and thereby improving controls in the implementation of strategic change	56	4.0256	0.7202	0.1789
The proactive culture has enhanced cooperation and commitment in the implementation of the strategic change	56	4.3718	0.4864	0.1112
The culture is focused on enhancing of efficiency and effectiveness in the operations and this has improved the implementation of strategic change	56	4.1538	1.2387	0.2982
The positive organization culture has created a conducive organization climate that is supportive of implementation of strategic change	56	4.5001	0.7162	0.1592

Source: Field Data (2016)

The influence of culture on facilitating effective decision making supportive of the implementation of strategic change was the only neutral variable. There was a very strong agreement that the positive organization culture has created a conducive organization

climate that is supportive of implementation of strategic change at a mean of 4.5. Enhanced cooperation and commitment in the implementation of the strategic change had the least variation while focus on enhancing efficiency and effectiveness in operations had the highest variation.

4.6.5 Availability of core Competencies

This study sought to explore the effect of availability of core competencies on strategic change management. A likert scale ranging from 1 to 5 as follows was used: 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD). Key subsections of availability of core competencies were; adequate financial resources, adequate level of human resources in terms of skill levels and numbers, appropriate technology and proper communication channels. Table 4.6 indicates the results of the responses over these issues.

Table 4.6: Descriptive Statistics for Availability of core Competencies

Variable	N	Mean	Standard deviation	Coefficient of Variation
The organization has adequate financial resources and this has enhanced the implementation of strategic change	56	3.8979	1.0393	0.2666
The organization has adequate level of human resources in terms of skill levels and numbers thus boosting the implementation of the strategic change	56	4.2179	0.8922	0.2115
The organization has obtained appropriate technology that support effective and efficient implementation of strategic change	56	3.8846	0.8970	0.23092
The organization effectively obtains and shares information organization processes and the implementation of strategic change through various communication channels hence improving the implementation process	56	4.4743	0.7157	0.15997

Source: Field Data (2016)

Appropriate technology and adequate of financial resources respectively had the least effect on Availability of core Competencies. On the contrast, a proper communication channels were the most critical in the implementation of strategic change and improving

the implementation process with a mean of 4.5. Furthermore, proper communication systems had the least variation while adequacy of financial resources had the highest variation.

4.7 Correlations

Table 4.7 Correlations

		Strategic change management	Leadership	Organizational Structure	Organizational Culture	Availability of core competencies
Strategic change management	Pearson Correlation	1	.403**	.648**	.719**	.575**
	Sig. (2-tailed)		.000	.000	.000	.001
	N	56	56	56	56	56
Leadership	Pearson Correlation	.403**	1	.191*	-.034	.067
	Sig. (2-tailed)	.000		.026	.694	.438
	N	56	56	56	56	56
Organizational Structure	Pearson Correlation	.648**	.191*	1	.267**	.283**
	Sig. (2-tailed)	.000	.026		.002	.001
	N	56	56	56	56	56
Organizational Culture	Pearson Correlation	.719**	-.034	.267**	1	.196*
	Sig. (2-tailed)	.000	.694	.002		.023
	N	56	56	56	56	56
Availability of core competencies	Pearson Correlation	.575**	.067	.283**	.196*	1
	Sig. (2-tailed)	.000	.438	.001	.023	
	N	56	56	56	56	56
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

On the correlation of the study variables, the researcher conducted a Pearson correlation matrix analysis. From the finding in the table above, the study found that there was a weak positive correlation coefficient between Strategic change management and User Leadership, as shown by correlation factor of 0.403, this relationship was found to be statistically significant as the significant value was 0.000 which is less than 0.05. The study found a strong positive correlation between Strategic change management and Organizational Structure as shown by correlation coefficient of 0.648, this was also found to be significant at 0.000 level of confidence. There was a strong positive correlation between Strategic change management and Technology as shown by correlation coefficient of 0.719 at confidence level .000 and finally the study found a strong positive correlation between Strategic change management and Availability of core competencies as shown by correlation coefficient of 0.575 at 0.001 level of confidence.

4.8 Inferential Statistics

The study further applied general linear model to determine the predictive power of the independent variables in Strategic change management. This included regression analysis, the Model, Analysis of Variance and coefficient of determination. In addition, the researcher conducted a multiple regression analysis so as to test relationship among variables (independent) in Strategic change management. The researcher applied the statistical package for social sciences (SPSS V 22.0) to code, enter and compute the measurements of the multiple regressions for the study. Coefficient of determination(R^2)

explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Strategic change management) that is explained by all the four independent variables (Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies).

Table 4.8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883 ^a	.781	.758	.27418

a. Predictors: (Constant), Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies.

Both R Squared and adjusted R Squared can be used to give an indication of how good the model variables can be used to predict changes in the dependent variable. For instance, an adjusted R squared of 0.758 reveals that 75.8 % of the variations in Strategic change management is influenced by Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies. This therefore means that other factors not studied in this research influence 24.2% of Strategic change management. Therefore, further research should be conducted to investigate the other factors that influence 24.2% of Strategic change management. Equally, an R squared of .781 reveals that 78.1% of the variation in Strategic Change Management is explained by Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies.

Table 4.9: ANOVA of Regression

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	22.4	4	5.600	13.571	.000 ^b
	Residual	21.063	51	.413		
	Total	43.463	55			

a. Dependent Variable Strategic change management

b. Predictors: (Constant), Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies.

The significance value is 0.000 which is less than 0.05 thus the model is statistically significant in predicting how Leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies influence the Strategic change management. The F critical at 5% level of significance was 13.571. Since F calculated is greater than the F critical, this shows that the overall model was significant.

4.9 Coefficient of determination

A multiple regression analysis was run with Strategic Change Management as the dependent variable. Independent variables included leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies.

Table 4.10: Coefficient of Determination

Coefficients						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.734	0.357		4.855	0.000***
	Leadership	0.448	0.574	0.169	1.991	0.050**
	Organizational Structure	0.479	0.456	0.640	6.805	0.000***
	Organizational Culture	0.623	0.363	0.035	2.367	0.015
	Availability of Core Competencies	0.452	0.239	0.116	2.324	0.019
a. Dependent Variable: Strategic Change Management						

*Star indicates level of significance where *** is significance at 1% level and ** is significance at 5% level.*

Multiple regression analysis was conducted to determine the extent to which each independent variable influences the Strategic Change Management. The table above

shows that all the factors were significant predictors of Strategic Change Management at $p < 0.05$. As per the SPSS generated table 4.10 above, the regression equation is:

($Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$) becomes:

($Y = 1.734 + 0.448X_1 + 0.479X_2 + 0.623X_3 + 0.452X_4 + \epsilon$)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the present study and gives conclusion based on the findings. It consists of four sections. Section 5.2 gives a summary of the study and discusses the empirical findings. This is followed by conclusion in section 5.3 and finally areas for further research in section 5.4 complete this chapter.

5.2 Summary

The main objective of this study was to establish the challenges of strategic change management on strategy implementation among state corporations in Kenya. The study set out to specifically investigate the effects of leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies on strategic change management. These objectives were complimented by one major research question; what are the challenges faced by the Kenya's state corporations in managing strategic change and strategy challenges implementation? The study used quantitative data which was obtained from interviews of 56 Corporation heads. Before this, a pilot was conducted on ten corporations to assess the progress of the study.

Preliminary investigation of the data was done through running a reliability test (Cronbach's), summary/descriptive statistics of all variables, and graphical review and correlation matrix of all variables. This was followed by diagnostic tests of normality.

Strategic Change Management, Leadership and Organizational Culture were found to be normal while Organizational Structure and Availability of Core Competences were not normal.

Multiple regression results with Strategic Change Management as the dependent variable and leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies as Independent variables was run. Results indicate that all variables had a positive impact on strategic change management. A unit increase in Organizational structure and leadership increases strategic change management by 0.64 and 0.17 units respectively and they are significant. Similarly, a unit increase in Organizational Culture and Availability of Core Competencies increases strategic change management by 0.035 and 0.116 units respectively although they are both insignificant.

5.3 Conclusions

The study was specifically interested in establishing the challenges of strategic change management on strategy implementation among state corporations in Kenya. The overall finding was that Strategic Change Management is affected by leadership, Organizational Structure, Organizational Culture and Availability of Core Competencies. Ideally a unit increase in Organizational structure. Leadership, Organizational Culture and Availability of Core Competencies increases Strategic Change Management by 0.64, 0.17, 0.035 and 0.116 units.

5.4 Limitations of the study

While conducting the study the researcher was met by the challenge securing appointments with the respondents some of whom were unwilling to participate. To counter this problem, the researcher hired qualified assistants who professionally handled all kinds of problems as it pertains to respondents. Confidentiality being a primary weakness of descriptive survey; the subjects were at some point not truthful as they felt the need to tell the researcher what they thought the researcher wanted to hear. Some participants refused to provide answers to questions they viewed to be too personal.

5.5 Recommendations

The study recommended that first, the management of the state corporations should increase the allocation to the projects so as to ensure that adequate resources are allocated to each project. Secondly, the management should ensure that there is timely distribution of resources to various projects for timely implementation of projects in the organization. Third, the management of public corporations should stay away from politics to avoid political interference in the implementation of strategies in the public corporations. Forth, the organizations should organize for seminars and workshops where the employee's skill will be enhanced through training. Fifth, the state corporation must a clear organizational structure that is understood by every employee and finally, the study also recommends that the organizations should sponsor its staff to further education

5.6 Areas for Further Research

The study suggests that similar studies should be done on areas of relationships between strategic planning practices and organization performance in State Corporations. Further research is recommended to the State Corporations on change management strategies adopted to enable them remain competitive. A study also be done to shed light on the results of Kenya Government reforms which led to the current status of the organizations of this study.

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APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE

Thank you for taking your time to fill this questionnaire. Your response to the questions herein will be treated confidentially.

PART 1: State Corporation Data

How many staff works in your organization?

What is the annual turnover in your organization?

How many Departments are in your organization?

Where is the firm's headquarters located?

PART 2: Strategic Change Management

Using a scale of 1-5, where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD), please indicate the extent to which you agree with the following statements on Implementation of Strategic Change

Statements	1	2	3	4	5
The corporation has achieved the set implementation goals/objectives					
The corporation has effectively allocated resources and responsibilities for implementation					
The corporation has established reviews/ measurement process of the strategic implementation					

The corporation has established evidence of continuous improvement arising from the implementation of strategic change					
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PART 3: Leadership

Using a scale of 1-5, where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD), please indicate the extent to which you agree with the following statements on Leadership

Statement	1	2	3	4	5
The corporation leadership has created a compelling Mission/Vision for the organization that support implementation of strategic change					
The leadership has developed effective strategy for the development of the strategic change					
The organization leadership has engineered the development of Culture that is supportive of strategic change implementation					
The organization leadership has facilitated the development of organization structure that is appropriate and supportive of strategic change implementation					

The leadership has ensured effective allocation and utilization of resources that enhance strategic change implementation					
The leadership is committed to the implementation of strategic change evidenced by their actions					

PART 4: Organizational Structure

Using a scale of 1-5, where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD), please indicate the extent to which you agree with the following statements on organization structure

Statement	1	2	3	4	5
The organization structure has facilitated efficiency in the organization thus enhancing the implementation of strategic change					
The organization structure has enhanced the clarity of purpose and thereby improved the implementation of strategic change					
The organization structure has enhance the coordination of functions and objectives aimed at meeting the objectives of the implementation of the strategic change					

The organization structure has enhanced the proper exercise of authority in the implementation of the strategic change					
The organization structure has improved organization process and system effectiveness in achieving the objectives of the strategic change implementation					

PART 5: Organizational Culture

Using a scale of 1-5, where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD), please indicate the extent to which you agree with the following statements on organization culture

Statement	1	2	3	4	5
The organization culture has facilitated the maximization of communication in the organization ensuring effective implementation of strategic change					
The culture has facilitated effective decision making supportive of the implementation of strategic change					
The culture has improved organization controls and thereby improving controls in the implementation of strategic change					

The proactive culture has enhanced cooperation and commitment in the implementation of the strategic change					
The culture is focused on enhancing of efficiency and effectiveness in the operations and this has improved the implementation of strategic change					
The positive organization culture has created a conducive organization climate that is supportive of implementation of strategic change					

PART 6: Availability of core Competencies

Using a scale of 1-5, where 1= Strongly Disagree (SA); 2=Disagree (A); 3=Neutral (N); 4=Agree (D); 5=Strongly Agree (SD), please indicate the extent to which you agree with the following statements on availability of resources

Statement	1	2	3	4	5
The organization has adequate financial resources and this has enhanced the implementation of strategic change					
The organization has adequate level of human resources in terms of skill levels and numbers thus boosting the implementation of the strategic change					

The organization has obtained appropriate technology that support effective and efficient implementation of strategic change					
The organization effectively obtains and shares information organization processes and the implementation of strategic change through various communication channels hence improving the implementation process					

Thank You for Your Co-Operation

APPENDIX II: LIST OF STATE CORPORATIONS

i. Ministry of Tourism

1. Kenya Tourism Board (KTB)
2. Kenya Tourist Development Corporation (KTDC)
3. Kenyatta International Convention Centre (KICC)
4. Bomas of Kenya
5. Kenya Safari Lodges and Hotels (KSLH)
6. Tourism Fund
7. Tourism Regulatory Authority
8. Kenya Utalii College
9. Brand Kenya Board

ii. Ministry of Industrialization and Enterprise Development

10. Anti-Counterfeiting Agency (ACA)
11. East African Portland Cement Company (EAPCC)
12. Export Processing Zones Authority (EPZA)
13. Kenya Accreditation Service (KENAS)
14. Kenya Bureau of Standards (KEBS)
15. Kenya Industrial Estates (KIE)
16. Kenya Industrial Property Institute (KIPI)
17. Kenya Industrial Research and Development Institute (KIRDI)
18. Kenya Investment Authority (KIA)
19. Kenya Wine Agencies (KWAL)
20. Micro and Small Enterprises Authority (MSEA)

21. New Kenya Co-operative Creameries (New KCC)
22. Numerical Machining Complex (NMC)
23. Sacco Societies Regulatory Authority (SASRA)

iii. Ministry of Health

24. Kenya Medical Research Institute (KEMRI)
25. Kenya Medical Supplies Agency (KEMSA)
26. National Hospital Insurance Fund (NHIF)

iv. Ministry of Finance & National Treasury

27. Kenya Accountants and Secretaries National Examinations Board (KASNEB)
28. Privatization Commission
29. Kenya Investment Authority
30. Insurance Regulatory Authority
31. Public Procurement Oversight Authority
32. State Corporations Appeals Tribunal
33. Kenya National Assurance Co. (2001)
34. Capital Market Authority
35. Deposit Protection Fund Board
36. National Bank Of Kenya
37. Kenya Post Office Savings Bank
38. Consolidated Bank of Kenya
39. Retirements Benefit Authority
40. Kenya Reinsurance Corporation

41. Kenya Revenue Authority
42. Kenya Trade Network Agency
43. Competition Authority of Kenya

v. Ministry of Sports, Culture and the Arts

44. Sports Kenya
45. National Sports Academy
46. National Sports Fund
47. Kenya Cultural Centre
48. National Museums of Kenya
49. Kenya Film Commission
50. Kenya Film Classification Board
51. Kenya National Library Service

vi. Ministry of Transport & Infrastructure

52. Kenya Civil Aviation Authority (KCAA)
53. Kenya Airports Authority (KAA)
54. Kenya Ports Authority (KPA)
55. Kenya Ferry Services (KFS)
56. Kenya National Shipping Line (KNSL)
57. Kenya Railways Corporation (KRC)
58. Kenya Maritime Authority (KMA)
59. National Transport and Safety Authority
60. Kenya National Highways Authority
61. Kenya Urban Roads Authority

62. Kenya Rural Roads Authority

63. Kenya Roads Board

64. Engineers Board of Kenya

vii. Ministry of Education, Science & Technology

65. National Commission for Science, Technology and Innovation (NACOSTI)

66. Higher Education Loans Board (HELB)

67. Commission for University Education (CUE)

68. Kenya Institute of Curriculum Development (KICD)

69. Kenya Institute of Special Education (KISE)

70. Teachers Service Commission (TSC)

71. Kenya National Examinations Council (KNEC)

72. Jomo Kenyatta Foundation (JKF)

viii. Ministry of Information, Communication and Technology

73. Kenya Broadcasting Corporation

74. Postal Corporation of Kenya

75. Konza Technopolis Development Authority

76. Kenya Film Commission

77. The Kenya ICT Authority

78. The Kenya Yearbook Editorial Board (KYEB)

79. Media Council of Kenya

80. Kenya Film Classification Board

81. Kenya Institute of Mass Communication

82. Communications Appeal Tribunal.

ix. Ministry of Labour & East Africa Affairs

- 83. National Industrial Training Authority
- 84. National Social Security Fund
- 85. National Council for Persons With Disabilities
- 86. Social Protection Secretariat
- 87. Productivity Centre of Kenya
- 88. National Council for Children Services

**x. Ministry of Environment, Natural Resources and Regional Development
Authorities**

- 89. National Environment Management Authority (NEMA)
- 90. Kenya Water Towers Agency (KWTA)
- 91. Kenya Wildlife Service (KWS)
- 92. Kenya Forest Service (KFS)
- 93. Kenya Forest Research Institute (KEFRI)

xi. Ministry of Interior and Coordination of National Government

- 94. The National Authority for the Campaign Against Alcohol and Drug Abuse
(NACADA)

xii. Ministry of Lands, Housing and Urban Development

- 95. National Housing Corporation
- 96. National Construction Authority
- 97. Kenya Building Research Centre
- 98. Settlement Fund Trustees

xiii. Ministry of Energy and Petroleum

- 99. Energy Regulatory Commission
- 100. Rural Electrification Authority
- 101. Kenya Pipeline Company
- 102. Geothermal Development Company
- 103. Kenya Petroleum Refineries
- 104. Kenya Power
- 105. Kenya Electricity Generating Company
- 106. Kenya Electricity Transmission Company
- 107. National Oil
- 108. Kenya Nuclear Electricity Board
- 109. Renewable energy Portal

xiv. Ministry of Defense

- 110. Kenya Ordnance Factories Corporation (KOFC)

xv. Ministry of Devolution and Planning

- 111. NEPAD/ APRM (AU Protocol)
- 112. Vision 2030 Board
- 113. National Economic and Social Council
- 114. National Planning Authority
- 115. Community Development Trust Fund
- 116. National Council for Population and Development
- 117. Kenya Institute of Public Policy Research and Analysis (KIPPRA)
- 118. Kenya National Bureau of Statistics (KNBS)

119. Constituency Development Fund Board

120. Kenya School of Government

121. Efficiency Monitoring Unit (EMU)

122. Inspectorate of State Corporations

123. National Drought Management Authority

124. Humanitarian Mitigation and Resettlement Fund

125. Transition Authority

126. NGO Board

127. NGO Coordination Bureau

xvi. Ministry of Foreign Affairs & International Trade

xvii. Ministry of Agriculture, Livestock and Fisheries

128. Kenya Seed Company

129. Nyayo Tea Zones Development Corporation

130. Muhoroni Sugar Company (under receivership)

131. Nzoia Sugar Company

132. Chemelil Sugar Company

133. Kenya Animal Genetic Resources Centre (KAGRC)

134. Kenya Meat Commission

135. Kenya Veterinary Vaccines Production Institute (KEVEVAPI)

xviii. Ministry of Public Service, Youth & Gender Affairs

136. National Youth Service (NYS)

137. Salaries Remuneration Commission

138. Kenya School of Government

139. Women Fund

140. Uwezo Fund

xix. Ministry of Mining

141. Geo-data Centre And Minerals Certification Laboratory

142. Mineral Audit Agency

xx. Ministry of Water & Irrigation

143. National Water Conservation & Pipeline Corporation

144. Kenya Water Institute

145. Athi Water Services Board

146. Rift Valley Water Services Board

147. Tana Water Services Board

148. National Irrigation Board

149. Tanathi Water Services Board

150. Coastal Water Services Board

151. Lake Victoria South Water Services Board

152. Northern Water Services Board

153. Water Resources Management Authority

154. Water Services Trust Fund

155. Water Services Regulatory Board

156. Water Appeals Board