STRATEGIC CHANGE MANAGEMENT AT PRESBYTERIAN CHURCH OF EAST AFRICA
EASTLEIGH COMMUNITY CENTRE

BY

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REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION
(MBA) DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.
DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

Signed: [Signature] Date: 15/10/09

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This project has been presented for examination with my approval as appointed supervisor

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DEDICATION

I dedicate this study to my family for their support and encouragement during the entire study period.
ACKNOWLEDGEMENT

My sincere appreciation is extended to my family, relatives and friends for their support and endurance throughout the study period.

I also thank God for his grace and sustenance that has seen me complete this paper successfully. I give Him thanks for bringing me this far.

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LIST OF ABBREVIATIONS

ECC          Eastleigh Community Centre
FBO          Faith Based organizations
NGO          Non Governmental Organizations
P.C.E.A      Presbyterian Church of East Africa
I.C.T        Information Communication Technology
IRE          Islamic Religious Education
CRE          Christian Religious Education
IT           Information Technology
ABSTRACT

Strategic change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics and the political environment have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnes 2000). The objectives of this study were to establish how strategic change was managed at P.C.E.A Eastleigh community centre and also to establish the challenges faced to strategic change programme.

This study adopted a case study research design. The study targeted 17 respondents. These were 2 board Members, the Director, 4 programme officers, 5 project officers, 5 administration/support staff. Primary data was collected to respondents through personal interviews. Since the data collected was purely qualitative, conceptual content analysis was used in analyzing this data.

From the findings, the study found that strategic change management at P.C.E.A Eastleigh community centre was done by regular reviews of the strategy, introduction of new programmes e.g. refugee empowerment programmes, conflict transformation and emergency response, adaptation of ICT/technology to enhance service delivery, developing new programmes in line with global trends, introduction of packages that are in line with the need, enhancing performance, responding positively to developmental change, appreciation of the programmes by community, seeking advice continuously both internally and externally (consultants) and by having a good feedback system. The study recommended that in order to successfully manage change at P.C.E.A Eastleigh community centre, there should be adequate knowledge and awareness about many of the critical issues involved in the management of such change.
CHAPTER ONE
INTRODUCTION

1.1 Background
Many organizations are occasionally faced with challenges that force them to adjust or
change (Burnes, 2004). Development organizations, in particular, regularly have to go
through change processes when having to respond to new development scenarios,
changing donor priorities or simply as part of their expansion or restructuring processes.
The implications of change processes are regularly under-estimated by senior management
and not managed adequately.

Faith based organizations in Kenya is a major sector which has significant contribution to
socio-economic development. The external changes that have been facing the organizations
since year 2000 provide an avenue for strategic thinking. Managers of this organization
have adopted strategic change practices with varying levels of success. While studies on
strategic change have been done on manufacturing, (Nyalita, 2006) public sector
(Nyamache, 2003) International Development organizations (Muturi, 2006) and in other
corporate none has been done on Faith based organizations. This study will therefore
provide insights on strategic change practices in these organizations.

1.1.1 Strategic Change management
Most organizational managers today would agree that change has become a constant
phenomenon which must be attended to and managed properly if an organization is to
survive. Changes in technology, the marketplace, information systems, the global economy,
social values, workforce demographics, and the political environment all have a significant
effect on the processes, products and services produced. The culmination of these forces
has resulted in an external environment that is dynamic, unpredictable, demanding and
often devastating to those organizations which are unprepared or unable to respond
(Burnes, 2004). Many of the corporate giants of the past such as IBM, Xerox and Texaco,
have fallen victim to such pressures.
Those organizations which do survive are often relegated to the role of playing “catch up” to their competitors, while others are either absorbed into larger entities via mergers or acquisitions or simply dissolved into a collection of corporate assets and liabilities. In fact, many of the popular trends in management and organizational consulting such as business process re-engineering, total quality management and the learning organization represent systematic methods for responding to and channeling effectively the forces of change. Unfortunately, the vast majority of improvement initiatives undertaken by organizations, even with the best of intentions, are destined to have little impact (Schaffer, 1992).

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues which accompany strategic change management. Strategic change management has been linked to the organization’s competitiveness and response to changes in the environment. Ansoff and McDonnell (1990) state that strategic changes arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. This implies the readiness to change within the organization and the ability to implement the proposed change.

A host of external factors influence an organization’s choice of direction and action and ultimately, its organizational structure and internal processes. These factors, which constitute the external environment, can be divided into three interrelated Strategies categories, that is factors in the remote environment, factors in the industry environment and factors in the operating environment (Pearce and Robinson, 1991).

Organizations manage change directly. Balogun and Hailey (1999) identify important contextual features that should be taken into account when designing change programmes. These include the scope, institutional memory, diversity of experience within an
organization, the capability of managing change and the readiness for change throughout
the different levels in the organization.

There are different approaches to managing change some are sudden, planned and
incremental. Kazmi (2002) says that change is not linear and therefore cannot be worked
on a mathematical formula basis with a set of variables that will yield a fixed answer for
their combination. Aosa (1996) points out the necessity of carrying out change within the
context of unique environmental challenges within Africa. Therefore strategic change is
context and environmental dependent, and there is no one best way.

This proposal therefore aims to expound on the concept of strategic change and its
relationship with other organizational variables in Faith Based Organizations (FBO). The
FBO sector in Kenya has been going through numerous changes due to changes in the
environment. Some of the change variables include environment, culture, structure and
leadership. These variables are the key drives in strategic change and have an effect on the
success or failure of a strategic change programme.

1.1.2 Presbyterian Church of East Africa Eastleigh Community Centre
In the recent past, the global development sector has dramatically changed. Many donor
organizations have also changed their funding approach from mere relief and social
welfare support to more substantial community and project based approaches. This
therefore means that many FBO’s have been affected by this paradigm shifts in global
development. To this extent, funders are looking for organizations that are proactive and
responsive to this changing dynamics in the environment. This has therefore forced
partner organizations to continually and systematically develop innovative programmes
and solutions to address a myriad of challenges faced by poor people.

For Eastleigh community centre, all this has come as a complement to its work with the
poor children, youth and women. However the biggest question is how the centre has
responded to this changing situation in its 50 years of existence. The united church of
Northern India founded Eastleigh community centre in 1959. This was under the
leadership of Reverend Din Dayal; so as to cater for the destitute Asians who then lived in
the area. The centre was taken over by Presbyterian Church in 1968 to support the evangelical and socio-economic responsibility work of the church.

During that time Kenya was still a British colony and therefore the focus was more on recreational and religious orientation for Asians who lived there by then. By 1968, immediately after independence, there was resurgence of many people who migrated from rural areas to urban centre and especially Nairobi in search of jobs. This also marked emergence of slums and especially in Eastlands area. Some of the earliest large slums were Mathare, Kiambiu and Korogocho. Most of this people didn’t have high education qualifications hence they were employed as casual laborers at industrial area and Asian houses while others engaged in petty trade. The centre therefore started its relevance there.

The first project was education to the children from poor families in Mathare. This attracted overwhelming support from donors because it was timely. There were also very few organizations working in Mathare by that time. This continued to elicited support from many donor organizations that were coming to Kenya in solidarity to reconstruct post independence Kenya. By 1980’s the centre was undertaking many social interventions in the community, primarily relief based.

In 1990’s other small organizations started working in the Eastlands and threatened the centre’s competitive advantage. This meant that the centre had to relook at it focus and strategy and therefore shifted its focus from institutional support to community based infrastructural support. However this shift was not fundamental because the centre continued carrying relief work from the community rather than from the centre. The first test of this strategy came with the collapse of some of its major women programme was later taken up by Jitegemea Credit Scheme. This minor strategic shifts continued to manifest in the centre’s operation when it started vocational trainings to complement existing dressmaking, pottery, weaving and secretarial trainings which existed by then. During this time fundamental global and environmental factors continued to bite the centre.
management board has other specialized sub-committees in Finance and Strategy, Vocational training advisory Board, Education and Executive.

1.2 Statement of the problem
Strategic change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics and the political environment have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnes 2000).

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly if FBOs are ever to experience a greater level of success in their development efforts, managers and programme officers need to have a better framework for thinking about change and an understanding of the key issues which accompany strategic change management. Strategic change management has been linked to the organization’s competitiveness and response to changes in the environment (Ansoff and McDonnell, 1990). This implies the readiness to change within an organization and the ability to implement the proposed changes.

According to Pearce and Robinson (1990) a host of external factors influence an organization’s choice of direction, action and ultimately, its organizational structures and internal processes. These factors, which constitute the external environment, can be divided into three interrelated strategy categories that are factors in the remote, industry and operating environment.

Since 2000, development sector have been undergoing numerous changes that have been occasioned by changing donor policies and technological advancement. Most FBOs have been forced to close down or transfer their operations to other places while others have
embarked on strategic management processes. FBOs in Kenya have found themselves either gaining or loosing relevance due to their ability or inability to respond to the changes. P.C.E.A Eastleigh community centre is one of the FBO’s in the country that has tried to implement changes over a number of years in order to survive. Currently the organization has attained some success in this, though this is not the case with all other FBOs in the country.

FBO’s in Kenya have been attempting to implement change with varied levels of success. A number of studies have been done on the strategic change management in various sectors in Kenya. Studies have been done on management of strategic change at Plan Inc – Kenya an International Development organization (Muturi, 2006) Civil Service Reform Program in Kenya 1993 — 2003 in Public sector organization (Nyamache 2003) and at Proctor and Gamble a Manufacturing company (Nyalita, 2006). These studies provided insights on how large organizations respond to strategic change in different contexts. Due to contextual, sector, and managerial differences among the organizations issues of strategic change management gained from these studies may not be assumed to explain strategic change management practices at P.C.E.A Eastleigh community centre which is a faith based organization unless an empirical study suggests so. This is the gap this study sought to fill. The study therefore intended to identify how strategic change was managed within the organization particularly from 2004 and how this had contributed to its success. The study also established the challenges the organization faced in the implementation of strategic change.

1.3 Objectives of the study

The main objective of the study was to determine the management of strategic change at the centre. Specifically the study aimed at;

a. Establishing how strategic change was managed at P.C.E.A Eastleigh community centre
b. Establish the challenges faced to strategic change programme
1.4 Scope of the study
Strategic change in an organization is an empirical observation of variations in shape, quality or state over time, after the deliberate introduction of new ways of thinking, acting and operating in that entity. The general aim of strategic change is an adaptation to the environment or an improvement in performance.

This study therefore examined the concept of strategic change, focusing on the distinction of changes according to their scope and presenting a typology of evolutionary and strategic changes. The study also offered insight on the context and forces of change as well as the approaches and processes of managing strategic change and respective change variables. It also offered an in-depth study of managing resistance to change.

1.5 Importance of the study
This study aims at contributing knowledge of strategic Change Management within FBOs in Kenya and particularly those working in urban slum areas. It will highlight the challenges faced by such organizations due to change of operating environment. The study will also present opportunities and best practices that P.C.E.A Eastleigh community centre as well as other similar organizations can utilize to manage change. The findings will also contribute to the documented cases on strategic management. ECC staff will also find the findings useful particularly in strengthening its strategic perspective in development.
CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategic Change
Change can be simply defined as a transition from one state to another with focus on being different (Burnes, 2004). Change is the only constant in today’s life for individuals and organizations. Some changes can be reversible while others are not hence the risk involved in managing change. There are both objective and subjective conditions in making the transition in organizations.

Change management is the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results. This perspective views change management as a process. Change management is a structured and systematic approach to achieving a sustained change in human behavior within an organization. This views change management from people’s perspective.

Organizational change has been described as an episodic activity that starts at some point, proceeds through a series of steps, and culminates in some outcome that those involved hope is an improvement over the starting point. It has a beginning, middle and an end. If environments were perfectly static, if employees’ skills and abilities were always up to date and incapable of deteriorating and if tomorrow was always exactly the same as today, organizational change would have little or no relevance to managers. The organizational environment is turbulent, requiring organizations to undergo dynamic change if they are to perform at competitive levels (Pearce and Robinson, 1991).

Organizational Change is a form of social change (De Wit and Meyer, 2004). Change in organizations can be Strategic or operational. Strategic change is one that involves fundamental changes in the business of the organization and its future direction Successful strategic change is built on an overall strategic management system of the organization. The strategy of the organization legitimizes the change programme.
The goal of strategic management is to build and maintain sustainable competitive advantage and to maximize shareholder value. Organizations have to change to align themselves to changes in their environments. The purpose of strategic change is to ensure that organization is heading in the right direction (effectiveness). Key pre-occupation is anticipation Operational change is the type of change aimed at ensuring that the organizational activities are being performed in the best way possible. The focus of operational change is on excellence in whatever the organization does. Purpose of operational changes is to ensure the organization is efficient.

Strategic change is the movement of a company away from its present state towards some desired future state to increase its competitive advantage (Hill & Jones, 2000). According to Huczynski and Buchanan (2003) strategic change describes organizational redesign and refocusing that is major, radical, 'frame-breaking' or 'mould breaking' or 'paradigmatic' in its nature and implications. The term 'strategic' denotes scale, magnitude or depth. Strategic Change means changing the organizational Vision, Mission, Objectives and of course the adopted strategy to achieve those objectives. Strategic change can be defined as changes in the content of an organization's strategy as defined by its scope, resource deployments, competitive advantages, and synergy (Hofer and Schendel, 1978). Strategic change is the difference in the form, quality, or state over time in organization's alignment with its external environment (Rajagopalan & Spreitzer, 1997).

Considering the definition of strategic change, strategic change could be affected by the state of organization and its external environment. Because the performance of organization might dependent on the fit between organization and its external environment, the appearances of novel opportunities and threats in the external environment, in other words, the change of external environment, require organization to adapt to the external environments again. As a result, organizations would change their strategy in response to the environmental changes. The states of the organization will also affect the occurrence of strategic change. They tend to adopt new strategies in the face of financial distress for the purpose of breaking the critical situations. Additionally,
organizations would possess structural inertia that they tend to keep their previous structure and strategy (Hannan & Freeman, 1984).

Ansoff and McDonnell (1990) defined strategic change as a shift in the product of services mix produced by the organization and/or the markets to which it is offered. This definition of strategy is further enriched by Michael Porter when he came out with ideas on competitive advantage. Selection of an attractive product market position is strategy in which presently there is no competition and for the future an entry barrier can be created is a sought after strategic position.

Therefore, strategic change occurs in different contexts and is based on the environment. The key objective of strategic change therefore is to enhance the competitiveness of the organization and continuous adaption of the organization to various environmental turbulence levels.

2.2 Managing Strategic Change

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues which accompany strategic change management. Strategic change management has been linked to the organization’s competitiveness and response to changes in the environment. Ansoff and McDonnell (1990), state that strategic changes arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. This implies the readiness to change within the organization and the ability to implement the proposed change.

A host of external factors that influence an organization's choice of direction and action and ultimately, its organizational structure and internal processes. These factors, which constitute the external environment, can be divided into three interrelated Strategies
categories, that is factors in the remote environment, factors in the industry environment and factors in the operating environment (Pearce and Robinson, 1991).

There are different approaches to managing change some are sudden, planned and incremental. Kazmi (2002) says that change is not linear and therefore cannot be worked on a mathematical formula basis with a set of variables that will yield a fixed answer for their combination. Aosa (1996) points out the necessity of carrying out change within the context of unique environmental challenges within Africa. Therefore strategic change is context and environmental dependent, and there is no one best way.

This study therefore aims to expound on the concept of strategic change and its relationship with other organizational processes and variables. These variables include environment, culture, structure and leadership. These variables are the key drives in strategic change and have an effect on the success or failure of a strategic change programme.

2.3 Context and forces of change
At the beginning of the twenty first century, change is everywhere (Burnes, 2004). The reality of yesterday is different from that of today and possibly that of tomorrow. Social, political and economic changes have greatly compromised individuals and organizations ability to respond. Organizations just like individuals follow a certain logic or system and sometimes react irrationally. Some are fairly successful while others are failing. Change management is empowering organizations and individuals for taking over responsibility for their own future. Creating a learning organization is an example of one such form of empowerment. The forces that operate to bring about change are many and varied (Burnes, 2004). Some forces are gentle while others are strong and can cause devastation to structures and operations in an organization.

Most of the forces of change can be traced to some fundamental forces of change which includes growth of capital intensive manufacturing, accelerated tempo of new technology the concentrated patterns of consumption and neo-protectionism era (Burnes, 2004). This forces have various implications on Organizations operating in Kenya. Political and Social events occurs due to changes in political ideologies and inclinations over time and
convergence of cultures and social systems. Globalization of markets and operations arise because of improved communication, similarities in technological infrastructure, similarities of consumer demand and life style patterns. These have led to growing incidence of strategic alliances and joint ventures.

Increase in size, complexity and specialization of organizations is another factor. Most organizations have grown in size and increasingly utilizing specialized technology. These changes require new organization structures and skills for cooperation and coordination. Greater strategic awareness and skills of managers and employees require changes in the scope of their jobs and call for strategic development and growth of the company. Neo-protectionism is another factor since world trade has been fairly liberalized. Competitive power of the corporation is no longer in the monopolistic status. Competition has eroded the abilities of corporations. There is increased global competition as opposed to localized competition and free flow of resources in the world. All these pose challenges and change in the way of doing things is inevitable.

However, there appears to be four basic types of change, which affect organizations (Burnes, 2004) Technology changes in Production processes, product or service changes concerned with output of the business, administrative changes in Structures, policies, budgets rewards systems and people changes in attitudes, expectations and behaviors. A change in one of these changes will place demands for change on one or more of the others. Major changes in the strategic perspective forces changes in the structure and jobs and consequently on behaviors. Therefore the approach to management of change will need to be context dependent (Johnson, Scholes & Whittington, 2005) Managers have to balance different approaches to management of change according to circumstances they face. A number of contextual factors need to be considered in managing change. The time available for change is influenced by the forces of change. It influences ability to plan and phase the change and certain aspects of organization may need to be preserved e.g. competences on which change need to be built on.
Force-Field analysis is a general-purpose diagnostic and problem-solving technique. Lewin (1951) proposed that changes result from the impact of a set of driving forces upon restraining forces. In any situation, there are forces that push (drive) for change as well as forces (restraining) that hinder change. If the forces offset one another completely, there is equilibrium and status quo. Driving forces may be external and internal and are likely to have economic aspects. Restraining forces emanate from existing strategies, existing people who are loyal to status-quo.

### 2.4 Approaches to managing strategic change

A number of renowned practitioners have contributed models on change management. The action research model advocates for a systematic collection of data and then selection of a change action based on what the analyzed data indicates. It aims at providing a scientific methodology for managing planned change. The process of action research consists of five steps which are diagnosis, analysis, feedback, action and evaluation (Lewin, 1951).

The same approach seems to be supported by Dawson (1996) through the process/contextual perspective. It states that to understand the process of change, we need to consider the past, present and future context in which the organization functions, including external and internal factors. The substance of the change itself and its significance and timescale including the transition process, tasks, activities, decisions, timing, sequencing, political activity, both within and external to the organization and the interactions between these factors. Dawson identifies five specific aspects of the internal context which are human resources, administrative structures, technology, product or service, and the organization’s history and culture. He also identifies four key features of the substance of change which are the scale, its ‘defining characteristics’, its perceived centrality, and the timeframe of change initiatives. The substance of change influences the scale of disruption to existing structures and jobs. The transition process may be slow and incremental, or rapid. In addition, managers can draw upon evidence from the context and substance of change to marshal support and to legitimate their own proposals through organizational political action. It’s therefore the interaction between context, substance and political forces which shape the process of organizational change.
Lewin (1951) also developed the three-step model, which states that successful change in organizations should follow the steps of freezing the status quo, movement to a new state and refreezing the new change to make it permanent. The status quo can be considered to be an equilibrium state. To move from this equilibrium, there is need to overcome the pressure of both individual resistance and group conformity - unfreezing is necessary. It can be achieved in one of three ways where the driving forces, which direct behavior away from the status quo can be increased, the restraining forces, which hinder movement from existing equilibrium can be decreased or a combination of first two approaches (Robbins, 2003). However, Huczynski and Buchanan (2003) state that refreezing no longer seems to be an option given constant transformation which is now the norm. Permanent thaw is perhaps a more appropriate metaphor. Many organizations now face a 'high velocity' environment. They continue to say that turbulent and rapidly changing external conditions are translated into a complex, multi-faceted, fluid and interlinked streams of initiatives affecting work and organization design, resource allocation, and system procedures in continuous attempts to improve performance. The environment for most organizations is likely to remain volatile, or become even more turbulent. Current trends do not lead to predictions of continuity and stability in the near future.

Bullock and Batten (1985) summarize their model in 4 broad stages. The Exploration Phase which involves awareness of need for change and searching for solutions, planning phase which involve understanding the problem, collecting information, setting change goals, designing action plans, action phase involving arrangements for managing change, feedback processes and Integration phase involving consolidating and stabilizing change, reinforcing new behaviors. This model was an expansion of Lewin 3-step model and did not factor the volatility and dynamism of organizations environment.

Kotter (1996) came up with the eight-stage change process whose initial step is establishing a sense of urgency crucial in gaining needed cooperation. This is because when urgency low, it’s difficult to put together a group with enough power and credibility to guide the effort or to convince key individuals to spend the time necessary to create and communicate a change vision. The second step is creating the guiding coalition since a strong guiding coalition is always needed. The coalition must have the right composition,
level of trust and shared objective. Building such a team is always an essential part of the early stages of any effort to restructure, reengineer, or retool a set of strategies. Four key characteristics seem to be essential to effective guiding coalitions; these are position power, expertise, credibility, and leadership. The third step is developing a vision and strategy. Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. In a change process, a good vision serves in clarifying the general direction for change, it motivates people to take action in the right direction and it helps coordinate the actions of different people. A strategy provides both logic and a first level of detail to show how a vision can be accomplished.

The fourth step is communicating the change vision since the real power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction. That shared sense of a desirable future can help motivate and co-ordinate the kind of actions that create transformations. The fifth step is empowering broad-based action to empower a broad base of people to take action by removing as many barriers to the implementation of the change vision as possible at this point in the process. The biggest obstacles that often need to be attacked are structures, skills, systems, and supervisors.

Generating short-term wins is the sixth step; this is necessary as major change usually take a lot of time. There is need to have convincing evidence that all the effort is paying off especially to non-believers who require even higher standards of proof. They want to see clear data indicating that the changes are working and that the change process isn’t absorbing so many resources in the short term as to endanger the organization. Running a transformation effort without serious attention to short-term wins is extremely risky. Seventh step is consolidating gains and producing more change since the first major performance improvement will probably come well before the halfway point, the guiding coalition should use the credibility afforded by the short term win to push forward faster, tackling even more or bigger projects. The final step is anchoring new approaches in the culture since according to Kotter, culture changes only after successfully altering people’s actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement.
Beckhard and Harris (1987) also proposed a change formula. The change formula is a mathematical representation of the change process. The basic notion is that, for change to occur, the costs of change must be outweighed by dissatisfaction with the status quo, the desirability of the proposed change and the practicality of the change. There will be resistance to change if people are not dissatisfied with the current state of the organization, or if the changes are not seen as an improvement, if the change cannot be done in a feasible way, or the cost is far too high. The multiplicative nature of this formula indicates that if any variable is zero or near zero, resistance to change will not be overcome. In other words, the variables do not compensate for one another, and when one is very low, the cost of change is likely to be too high.

Closely related to this is logical incremental process developed by Mintzberg, Quinn & Ghosal (1999) which advocates for managing change incrementally in order to manage complex strategy shifts. It involves a number of steps starting with being ahead of the formal information system by using multiple internal and external sources to assist managers 'sense' the need for change before the formal systems do. The second step is to build organizational awareness which is essential when key players lack information or psychological stimulations to change. The third step is building credibility or changing symbols which help managers signal to the organization that certain types of changes are coming, even when specific solutions are not yet in hand. The fourth step is legitimizing new viewpoints while the fifth step is the technical shifts and partial solutions. These are typical steps in developing a new strategic posture, especially when early problem resolutions need to be partial, tentative or experimental.

The sixth step involves broadening of political support which is done through committees, taskforces or retreats. The seventh step is to overcome opposition to change done by persuasion, co-option, neutralization or moving through zones indifference, which can be done by pushing portions of the project that are non controversial. The eighth step is consciously creating structured flexibility by active horizon scanning, creating resources buffers, developing and positioning champions. The ninth step incorporates trial balloons and systematic waiting to attract options and concrete proposals which assist the executive to mobilize organization's creative abilities without making a commitment to any specific
solution. The tenth step is creating pockets of commitment in which executives try to get organizations to adopt entirely new strategic directions. Small projects, deep within the organization, are used to test options, create skills or build commitments for several possible options. The eleventh step is crystallizing the focus whereby once executives develop information or consensus on desirable ways to proceed, they may use their prestige or power to push or crystallize a particular formation. The final step formalizes commitment whereby the decision is announced publicly, programmes and budget are formed, and control and reward systems are aligned to reflect intended strategic emphases.

2.5 Process of strategic change in organizations

The process has been likened to individuals, Conner (2003) states that organizations like individuals have a speed of change at which they operate best. This speed reflects the degree to which the organization can absorb major change while minimizing dysfunctional behavior. Also, an organization’s speed of change is variable and can fluctuate dramatically based on specific circumstances. But at any point in time, an organization’s capacity to effectively assimilate transition it encounters is limited by its level of resilience or speed of change. To increase an organization’s speed of change one needs to look at change differently. He continues to argue that the two major pre-requisite for change are pain and remedy. Pain management provides motivation to pull away from the present while remedy selling provides the motivation to proceed to the desired state.

Whenever a strategic change requires significant discontinuities in the culture and/or power structure of the organization, time, costs, and dysfunctions will be saved if management takes the process gradually. A desirable first step, which is preliminary to strategy planning and implementation, is to prepare the ground through a series of measures aimed at minimizing the start up resistance, marshalling a power base sufficient to give the change momentum and continuity, preparing a detailed plan for the change process which assigns responsibilities, resources, steps and interactions through which the change will be carried out and designing into the plan behavioral features which optimize the acceptance and support for the new strategies and capabilities (Ansoff and McDonnell, 1990).
The magnitude of change also matters, Huczynski and Buchanan. (2003) noted that one way of distinguishing different types of change is to consider how deeply the change penetrates the organization. What one finds in most organizations is a number of change initiatives being progressed simultaneously, at different levels. This classification does not lead to an argument that "all change must be deep change". Deep change is appropriate when dealing with 'deep problems' while 'fine tuning' is a more appropriate response to minor problems. Conner, (2003) suggests that the cost effectiveness of the change needs to be evaluated. He says that major organizational change is too disruptive, time consuming and expensive to approach lightly. Managers must justify the risk and resources of attempting significant change only if they feel that their part of the organization will slip competitively or miss critical opportunities unless the change goals are achieved. Engaging minor changes has no such restrictions, but a manager should not undertake major change unless the organization cannot afford to fail at the implementation.

Johnson, Scholes and Whittington (2005) observe that different styles are likely to be more or less appropriate according to the organizational context. These include education and communication, which involves the explanation of the reasons for and means of strategic change. Collaboration or participation in the change process, for those who will be affected by strategic change in the change agenda. Intervention where there is coordination of and authority over processes of change by a change agent who delegates elements of the change process. Direction where a manager uses personal managerial authority to establish a clear future strategy and how change will occur as well as coercion by imposition of change or the issuing of edicts about change. Different stages in a change process may require different styles of managing change. Clear direction may be vital to motivate a desire or create a readiness to change, whilst participation or intervention may be more helpful in gaining wider commitment across the organization, and developing capabilities to identify blockages to change and plan and implement specific action programmes.
2.6 Factors influencing strategic change in an Organization

There are several factors that influence strategic change in an organization. However the key factors include environment, organizational culture, structure and leadership.

2.6.1 Strategic change and environment

Organizations must constantly be aligned with their environments by either reacting to external events or by proactively shaping the businesses in which they operate. Organizations must continuously engage in strategic renewal (De Wit and Meyer, 2004). This is the process of constantly enacting strategic change to remain in harmony with the external conations. These actions are therefore closely tied to the organizations environment.

Therefore organizations need to develop a strategy to respond to the environmental changes, Ansoff and McDonnell (1990) state that a organization's strategic response to the environment will be more timely and effective if capability is developed in conjunction with the new strategy which it will support. Strategic responsiveness can be institutionalized within an organization through a series of related measures which jointly protect strategic work from the operational, make the strategic work more effective, and create a change supporting climate within the organization.

Huczynski and Buchanan (2003) say that the source of change can be internal or external. It comes in form of a trigger of any disorganizing pressure either arising from outside or inside the organization. This indicates that current arrangements, systems, procedures, rules and other aspects of organization structure and process are no longer effective. External triggers for organizational change can include developments in technology, developments in new materials, change in customers' requirements and tastes, the activities and innovations of competitors, new legislation and government policies, changing domestic and global economic and trading conditions, shifts in local, national and international politics and changes in social and cultural values.
2.6.2 Strategic change and organizational culture

Basically, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it.

Peters and Waterman (1981) suggested that a distinguishing characteristic of a highly successful organization is a very strong and well developed culture. Work culture has been defined by Waltor (1979) as the combination of attitudes, relationships, developed capabilities, habits and other behavioral patterns that characterize the dynamics of an organization. Sinha (1991) has described the work culture as the resultant effect of information or organizational and organizmic factors which are reflected in established roles, norms and values pertaining to work. Such attempts at definition indicate that culture develops through the mutual interactions of different people playing different roles in a collective system which calls for mutual co-operative behavior.

The culture of an organization is strongly linked to its management style and processes. Management patterns set the "tone" of an organization, establish the rhythm for operation, influence the process of decision making, create action impulses etc. The culture created through the influences of these management patterns influences the ways in which managers and employees play their roles in approaching problems, serving customers, reacting to the environment and carrying out their various activities to satisfy themselves and other stakeholders. The culture sets the norms for the whole organization and provides a sense of direction which governs how to behave, what to do, where to place organizational priorities, etc. Culture shapes the willingness of people to exert high levels of effort in creating a vision of the future directed towards the attainment of organizational goals, and is conditioned by people's ability, behavior and values.

Organizations cultural traits must be consistent with what is necessary for driving new decisions. If the culture and change have little in common, chances of successfully achieving change are slim. Whenever a discrepancy exists between the current culture and the
objectives of the change, the culture always wins. The effective management of corporate
culture is an essential contributor to the implementation process. If an organization’s
cultural environment is not managed well, people will feel that changes are coming at a
greater volume, momentum and complexity that they can adequately assimilate. These
feelings hinder the process of absorbing change for many organizations. A key element to
enhancing resilience and minimizing the chance of dysfunctional behavior is to actively
manage the organizational culture (Conner, 2003)

Thompson, Strickland and Kramer (1998) state that rather than changing culture directly,
management must work with and through the existing culture to transform the
organization. They say that being able to measure culture, however, does not mean we can
change it quickly as a prelude to transforming and improving the organization. We cannot
change organizations by focusing directly and immediately on culture because culture is
too broad and resistant.

However, Kotter (1996) notes that culture comes last, not first, most alterations in norms
and shared values come at the end of the transformation process. This is dependent on
results since new approaches usually sink into a culture only after it’s very clear that they
work and are superior to old methods.

Johnson, Scholes and Whittington (2005) advocate for the use of symbols. These are objects,
events, acts or people which express more than their intrinsic content. Changing symbols
can help reshape beliefs and expectations because meaning becomes apparent in the day-
to-day experiences people have of organizations. This is one reason why changes in
routines are important. Routines are the organizationally specific ways we do things which
tend to persist over time and guide people’s behavior. Well established routines can also be
serious blockages to change. They can become 'core rigidities'. Managers can make the
mistake of assuming that because they have identified a strategy that requires operational
changes in work practices and explained what such changes are, the changes will
necessarily take place. They may find that the reasons why such changes are delayed or do
not occur have to do with persistent influence of longstanding organizational routines.
2.6.3 Strategic change and organizational structure

Organizational change usually involves change in the organization’s structure. Organizational structure refers to the clustering of tasks and people into smaller groups. According to De wit and Meyer (2004), the way labour is divided within an organization influences how strategic change will be implemented. Therefore organization structure is of both strategic and operational advantage in change management.

Huczynski and Buchanan (2003) stated that organizational change is a strategic imperative. This simply means that major or radical shifts in organizational design reflect changes happening in the wider social, economic, political and technological environment. Organizations must be able to respond rapidly to external changes if they are to survive, and that the necessary internal restructuring is likely to be strategic or ‘mould breaking’. The mould that needs to be broken is the rigid, autocratic, bureaucratic approach to organization and management. The new organizational framework required appears to be one that emphasizes flexibility, creativity and participation.

Flexibility has further been emphasized as essential in dealing with many uncertainties in the environment. Mintzberg, Quinn & Ghosal (1999) observe that successful organizations actively create flexibility. This requires active horizon scanning, creating resource buffers, developing and positioning champions, and shortening decision lines.

Companies need to be innovative to ensure their existence. Kanter (2006) states that established companies can afford falling into the classic traps that stifle innovation by widening the search for new ideas, loosening overly tight controls and rigid structures, forging better connections between innovators and mainstream operations, and cultivating communication and collaboration skills. Innovations involve ideas that create the future. But the quest for innovations is doomed unless the managers who seek it take time to learn from the past. Getting the balance right between the highest returns from current activities and exploring requires organizational flexibility and a great deal of attention to relationships.

Hill and Jones (2000) note that strategic managers also turn to restructuring as a means of implementing strategic change aimed at improving performance. They further note that
When organizations rely on innovation as the source of their competitive advantage, they need to adopt flexible structures such as matrix or cross-functional team structures, which give people the freedom to experiment and be creative.

2.6.4 Strategic change and leadership

As business environments become increasingly competitive and complex, organizations must be alert and flexible to remain competitive. Complacency within an organization can lead to inertia. Organizations that do not remain competitive will often begin a gradual downward trend in financial performance and must be revitalized for continued survival.

When an organization is in need of a strategic turnaround, charismatic leaders are frequently put in charge. Effective charismatic leaders are often capable of communicating a vision and mobilizing the energy necessary for a turnaround. Many organizations are also creating teams of employees to accomplish work goals. These companies give increasing amounts of responsibility to these teams by allowing them to be self-managed or assigning them the authority to plan and implement strategic change (Emery and Purser, 1996). In some instances, entire plants have been built around work teams (Lawler, 1986)

There has historically been a belief in a universal manager who could adapt to any situation (Bullock & Batten, 1985). Another stream of research has suggested that different leaders have different characteristics and the leader should be matched to the organization’s needs. This approach is reflected in Fiedler’s Contingency Theory of Leadership Effectiveness (Fiedler, 1967) and in many other contingency models (Hersey and Blanchard, 1977). These contingency or situational theories propose that effective leadership depends on the situation and that some match between the leader behaviors and the situational characteristics of the organization and followers is optimum. The focus in situational approaches to leadership is on observed behavior, not on any hypothetical inborn or acquired ability or potential for leadership. The emphasis is on the behavior of leaders and their group members and various situations (Hersey and Blanchard, 1997).

Leadership especially top management is probably the most critical element in a major organizational change effort in whichever context. If the leader perceives the need for change, makes it a top priority, and gives it a great deal of time and attention, the
organization will change. When the leader is leading the change, everyone quickly picks up on it and any ambiguity regarding what's taking place is quickly removed. The results are multiplied when this leadership role is being exercised by the entire organization. (Thompson, Strickland and Kramer, 1998)

Mintzberg, Quinn & Ghosal, (1999) say that rejuvenating a mature organization is impossible without commitment from the top since initial moves are often made by a new chief executive. Building a top team dedicated to change provides continuity and reduces the risks that the process will falter if one person leaves.

Johnson, Scholes & Whittington (2005) introduce the notion of outsiders. They argue that whilst existing managers have important roles to play, 'outsiders' are important in the change process. Outsiders may be a new chief executive or a consultant. He or she changes the context for change by bringing in a fresh perspective to the organization, not bound by the constraints of the past, or the everyday routines and ways of doing things that can prevent strategic change (Burnes, 2004). The introduction or arrival of new management from outside the organization can also increase the diversity of ideas, views and assumptions which can help break down cultural barriers to change and they may help increase the experience and capability for change. Consultants are also often used in change processes as they help to formulate the strategy or to plan the change process.

De wit and Meyer (2004) views the top leadership as the central processing unit of organizational change and innovation. Strategic changes are formulated by top leaders and then implemented by lower levels. The role of top management is to facilitate change and innovation in organizations and therefore more evolutionary than revolutionary.

2.7 Managing resistance to strategic change
People within organizations resist change for various reasons. Ansoff and McDonnell (1990) noted that resistance means a multifaceted phenomenon, which introduces unanticipated delays, costs, and instabilities into the process of a strategic change. During the change process there may be procrastination and delays in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than originally anticipated or efforts within the organization to
sabotage the change or to ‘absorb’ it in wester of other priorities. Resistance may also come after the change has been installed through performance lag where the change is slow in producing the anticipated results or there are efforts within the organization to roll back the effects of the change to the pre-change status.

Conner (2003) states that people only change when they have the capacity to do so, ability means having the necessary skills and knowing how to use them. Willingness is the motivation to apply those skills to a particular situation. If a person lacks the ability and willingness, it is unlikely that they will successfully adapt change. He also notes that one of the principal reasons companies fail is their inability to change themselves and adapt to a new competitive environment because of organizational inertia.

Johnson, Scholes & Whittington (2005) identified a number of unintended outcomes of change programmes which include ritualisation of change and initiative overload where change programme come to be seen by people in the organization as a ritual signifying very little. There is also a danger of well-meaning change being hijacked by others for different purposes for instance, in most organizations change results in downsizing though that may not be the compelling reason for initiating change. We also have situations where the change programme becomes gradually eroded by other events taking place within the organization. Change can also be reinterpreted according to old culture and organization. They also refer to “Ivory tower change”, where proponents of change in senior management are not seen by others to understand the realities on the ground. Change agents may also fail to link big messages about change to the day to day and symbolic aspects of the organization. Uncontrolled and uncoordinated efforts where practices are introduced in an organization are out of line with the intentions of the change as understood by the people in the organization who may experience inconsistency.

Burnes (2004) argues that people resist change for various reasons including fear of the unknown, need for security; lack of desire for change, security feels threatened, poor timing and lack of resources. Most people in an organization either actively support an implementation or passively "go with the flow time" once they understand its impact. Only a small minority will continually resist it. Organizations often fail to implement their
strategies successfully because they tend to focus on the people who resist implementation rather than on the people who support it (Speculand, 2005).

Resistance of change has been linked to human behavior. Perception versus reality has been cited by Ansoff and McDonnell, (1990) in that under normal conditions, it is trivial to say that people react to what they perceive. But during resistance-including changes, the gap between perception and reality can substantially and unnecessarily increase the level of resistance. Kotter and Schlesinger, (1979) say that to predict what form their resistance might take, managers need to be aware of the four most common reasons people resist change. These include a desire not to lose something of value, a misunderstanding of the change and its implications, a belief that the change does not make sense for the organization, and a low tolerance for change.

Robbins (2003) states that resistance can be grouped into individual and organization resistance. Individual resistance to changes reside in basic human characteristics such as perceptions, personalities and needs. The main reasons why an individual may resist change include habit, security, economic factors, fear of the unknown and selective information processing. Organizational resistance emanates from the fact that organizations are in their very nature conservative. Major sources of resistance in organizations include structural inertia since organizations have built in mechanisms to produce stability, limited focus of change, group inertia, threat to expertise especially to the specialized groups in an organization, threat to established power relationships and threat to established resource allocations.

Ansoff and McDonnell (1990) say that resistance can either be by individuals or groups. Resistance by individuals can be traced to the fact that they will resist change when it makes them insecure. Individuals will also resist change when their position of power is threatened. Group resistance are traceable to the views and convictions of individuals. Further group of managers who share common tasks and preoccupation develop, over a period of time, commonalities of behavior and outlook. They develop an allegiance to the common culture and they will jointly defend it against encroachment of influence of other cultures.
Hill and Jones (2000), state that obstacles to change can be found at all the four levels in the organization. Corporate obstacles in that changing strategy or structure, even in seemingly trivial ways, may significantly affect a company's behavior. The type of structure a company uses can be another impediment to change. Divisional obstacles are highly interrelated and they trade resources, because a shift in one division’s operations affects other divisions. Functional obstacles occur since different functions have different strategic orientations and goals and react differently to the changes that management proposes. Individual obstacles occur at the individual level since people are notoriously resistant to change because as it implies uncertainty, which breeds insecurity and fear of the unknown.

Four common causes of resistance to organizational change have been identified as parochial self interest, misunderstanding and lack of trust, contradictory and low tolerance for change. It has been noted that some people have a low tolerance for ambiguity and uncertainty. The anxiety and apprehension that they suffer may lead them to oppose even potentially beneficial changes (Huczynski and Buchanan, 2003).

Various approaches overcome resistance to change has been developed. Kotter and Schlesinger (1979) identify methods for overcoming resistance as education and commitment, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-option and implicit and explicit coercion.

To manage change well, one must use sober selling as the approach. In the early stages of a project when enthusiasm is high, targets must intentionally be told the true costs of the change. Most change failures trace back to lack of commitment, unless key participants in a transition are committed to both attaining the goals of change and paying the price those goals entails, the project will ultimately fail. Commitment occurs through four stages of installation, adoption, institutionalization and internalization (Conner, 2003).

Organizational loyalty has been cited as a vehicle of overcoming resistance. During changes aimed at improving organizational performance, cultural/political resistance will be moderated, and may change to positive support in proportion to the degree of improvement in performance promised by change and the level of positive loyalty within the organization (Ansoff and McDonnell, 1990).
Johnson, Scholes and Whittington (2005) say that in order to effect change, powerful support is required from an individual or group combining both power and interest. This may be the chief executive, a powerful member of the board or an influential outsider. They also advocate for withdrawal of resources as way of overcoming resistance to change.

Creating a learning organization has been suggested as a way of overcoming resistance. Robbins (2003) defines a learning organization as one that has developed the continuous capacity to adapt and change. Just like the way individual learn, so do organizations.

Ansoff and Me Donnell (1990) advise on the use of a resistance map that eliminates misperceptions and exaggeration by making clear throughout the organization the need or opportunity and the beneficial consequence of the change to the organization’s performance. Groups or individuals which are expected to resist will need special attention, but the entire organization should also be informed. Elimination or reduction of fears and anxieties is made clear to groups or individuals on the positive or negative impact of the change on them.
This chapter explains the methodology of the study by focusing on research design, data collection and data analysis. Since this was a case study the study population and sample design did not apply.

3.1 Research Design
This study required an in-depth understanding of strategic change management at P.C.E.A. Eastleigh Community Centre. In view of this, case study research design was more appropriate. Case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit (Young 1960, Kothari 1990). Cooper and Schindler (2003) note that case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. The advantage of using case study is that it provides a more focused and in-depth understanding of a phenomena and enables an intensive study of social units. Such may be overlooked if other forms of research designs were used.

3.2 Data collection
Both primary and secondary data was used during the study. Primary data was collected to respondents through personal interviews. Personal interview allow the researcher to utilize the probing technique assisting in collection of a vast and rich amount of data as well as flexibility. Secondary data was collected from documents available at the organization as well as existing literature on strategic change management. Primary data was collected using an interview guide. The target was 17 respondents. These were 2 board Members, the Director, 4 programme officers, 5 project officers, 5 administration/ support staff. Though the responsibility of strategic change rests with the director, it was important to get views of other respondents who were also involved in the change process.
3.3 Data Analysis

Data collected both primary and secondary was qualitative, conceptual content analysis method was used in analyzing the data. Content analysis is defined as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends (Nachmias and Nachmias 1997). According to Cooper and Schindler (2003), this analysis provides the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings. This conceptual content analysis method has been used in similar studies including those of Muturi (2006), Nyamache (2003) and Nyalita (2006).
CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction
This chapter gives the analysis and interpretations of the data from the field. The main objectives of the study were to establish the management of strategic change at P.C.E.A Eastleigh Community Centre and Challenges of strategic change programme. The analysis and interpretation will be categorized based on the two research objectives.

4.2 Strategic Change Management
The study sought to describe the strategic change that had taken place at P.C.E.A Eastleigh community centre since 2004. From the study, these strategic changes were that there were policies formulated on gender development, there was more teamwork and cooperation among the staff, staff attitude and understanding was very low but it has drastically improved, the community centre had moved from centre based to community based development creating more impact to the community, it had moved from relief support and infrastructure to empowerment oriented programming. Other strategic changes were that the attitude of staff had changed. One project officer commented

"People now love what they do and are happy to work with the centre, in fact we are saying we work with and not we work for the centre".

Previously there was reactive approach but now there is proactive approach, the culture has also changed to performance based with introduction of performance contract and also communication between the church and organization had improved.

The aspects of the strategic change that are visible are improved attitude, improved service delivery, competency of staff and staff capacity, improvement of community interaction, enrollments have increased in primary schools and VTC, emergence of new donors and partner organizations, improved governance, skills, policies. Other visible aspects were new vision, mission and objectives, performance contracts, improved financial health, positive organizational culture and there is more teamwork, collaboration and cooperation between departments, new programmes have been introduced e.g., hair dressing, child
development programmes, enhanced relationship with the church, better utilization of staff competency and qualification.

The study also found that the strategic change was very necessary for the organization. The director commented

“Though the process has not been easy, we have managed to convince all the stakeholders on the need for change. The change could not have come at a better time than this since the centre was on the verge of collapsing. This worked situation was suitable for people to conceptualize the need for change much faster; we need a renewal of the whole organization”

Organizational culture was negative and backward, it brought new mindset, created awareness within staff about the need for training and building organizational capacity, there was modernization of services and training, there were technological developments, modern machines e.g. computers and there was also skilled manpower.

From the study, the organization responded to change by restructuring the board and staff, venturing into new markets, leadership was changed, new staffs were recruited. Other respondents said that change was not fully embraced at first and the staffs were uncertain of the future, people did not see the need for change and generally the organization was not ready but threats by one donor expedited the process. One programme officer commented that

“This whole process of change looked confusing and fragmented particularly to some of us who were relatively new in the organization, the director all over sudden started hiring counselors to talk about retrenchment and starting of small business to all staff. This didn’t make sense and the whole process was scaring because we didn’t know what exactly was happening. The emotions at the centre were very high and nobody was sure of what was happening. But now I can see what was happening and I am happy for the results”

From the study, the respondents views on the process of managing change was that the process was successful because it was well managed, the board communicated the vision
and involved the entire staff and community, they continuously reaffirmed the new direction and continuous review of the process and gave feedback on short term gains e.g. donors, while other respondents said that the process was slow and not so drastic and also there was no consistency.

From the study, the factors that favored the change process were leadership i.e. the board members steered the process, donor support, receptive management, external opportunities like new donors focus, flexible organization structure, new government came into place, adequate facilities to accommodate change, recruitment of new and skilled staff, goodwill form community, change in management and new people came into the organization, emergence of new interventions e.g. advocacy, people were aware of the need for change, government policies e.g. free primary education and global developmental trends e.g. changing donor policies.

The study also sought to establish the factors that inhibited the strategic change process. According to the study, these factors were financial difficulties; organizational culture was excessively negative as clearly described by the administration manager,

"Coming to work at the centre in the morning was a ritual, when I reach at the gate I used to feel so bad that I am coming to waste yet another day. We could not see anything good at the centre right from the director to our pay slips, we hated to be associated with the organization and we even talked negatively about it to outsiders. Quarrels, backbiting and organizational politics were the order of the day. Today I can’t imagine this was all happening to the organization that now I have come to love and trust”

There was also uncertainty of the consequences of change, rigidity of organizational structure and culture, low morale among the staff, incompetent staff and also board members were not very visible in programme activities.

The study also found that all the stakeholders were involved in the change process. These stakeholders were staff, board, church, technical experts, community, consultants (community development), donors and partner organizations. From the study, the major
outcomes of strategic change were new organization culture (performance culture) due to change of staff attitude, well trained staff, new vision, mission, objectives and programmes, flexible and adaptable organization structure, collaboration with the government in training and equipment, enhanced financial base, organization capacity i.e. more training to staff, new machines, improved performance, unity and teamwork among the staff, improved service delivery, goodwill from donors and other stakeholders and more interactions between Muslims and Christians.

The study revealed that the major successes of this process were that there was more impact on the community through developed programmes, acceptance of change and creating a learning organization, high enrollment, ownership of the centre, donor confidence, improved governance, enhanced image of the centre to the community, financial output, new donors, more youths were trained, learning organization was created. As one programme officer said

"There is now hope at the centre, the work is attractive, challenging and empowering. Recently a new donor came in to support our work, the self help groups project has also given us more visibility in the community and hence close relationship with the community. All the staffs here at the centre are jovial and happy about their work, we can all share what we are doing and this is real change"

Other major successes of the project were the staffs were more motivated, renewed energy in the organization, financial stability, well trained and competent staff and positive organizational culture.

The study also found that the organization was responding to changing development landscape by regular reviews of the strategy, introduction of new programmes e.g. refugee empowerment programmes, conflict transformation and emergency response, adaptation of ICT/technology to enhance service delivery, developing new programmes in line with global trends, introduction of packages that are in line with the need, enhancing performance, responding positively to developmental change, appreciation of the programmes by community, seeking advice continuously both internally and externally.
(consultants) and by having a good feedback system as the organization director commented

“We cannot stop thinking and trying to figure out where the world is going. The competition is so high such that if you don’t innovate and adapt to changes you will be wiped out. In the last three months four new international organizations have come to work in Mathare with bags full of cash. This is a serious threat and the centre has to get a way of convincing our community on the need for adopting sustainable development approach. We have already set up satellite stations at all the villages we are working so that we can have real-time information on what is happening in the community”

4.3 Challenges to strategic change programme

From the study, the opportunities that favored the change process in the organization were ready community which was aware of the organization services, donors who were willing and ready to support, availability of human resources e.g. community facilitators, free primary education, new leadership i.e. change of board of directors, change of leadership in primary school and VTC, national youth policy entrepreneurship, new government with emphasis on entrepreneurship and youth development, global development changes and donors were fatigued on giving relief and they were looking for something more sustainable, improved communication (website) and partnerships with other organizations.

According to the study, the major challenges of implementing change were lack of understanding, mistrust from the community and within the organization as well as lack of finances. One board member commented

“It reached a point that even us on the board were unsure of what we were doing. Everybody run away from us including the church, the staffs were so confused and could not trust us any longer. The opinions of board members changed towards the process and it was disappointing. Some board members even started blaming others for the change, but here we are though the process was emotionally and physically exhausting”
Since there was no previous documented strategy there was lack of understanding by staff, some donors were not sure of the strategic change, organization culture was negative, changing people’s attitudes, target group (community) was ignorant of services, crush in programmes between Muslims culture and Christian culture, some of the subjects taught were inconsistent with the target community e.g. IRE and CRE, attitude of staff, political instability in the country, economic hardships i.e. recession and donor usurping of funding.

The study also sought to investigate on the current outstanding critical areas that needed to be addressed. From the study, these areas were staff attitude in some sections, structure of the organization need to be realigned with the change and made more flexible, awareness creation to the community of the centre and in new strategic perspective, enhancing capacity of staff and brand to respond to changes in the global development, new programmes, new training approach, training of staff, reinforcement of strategic change, enhancing social cohesion amongst staff, realignment of programmes and projects, organizational capacity building, ICT infrastructure for training and reliable water and power supply. The director commented

“The current problem we are facing is to enhance the infrastructure within the organization to support the strategic change. Though now all our staff has computers and internet we need to enhance their social bonding because it was affected by the changes. Some still feel the change was unfair where else others think that the change brought new energy to them”

The study also established that there was some resistance to change in the organization. In order to handle this resistance to change, the study found that there was communication on changing needs to the organization, through staff training, increased salary/review, external sourcing of staff, negotiation with donors for extension of existing programmes support, involvement of staff in strategic planning and formulation of programmes and projects, threats of dismissal to those resisting and other were actually dismissed, structure and systems were changed to accommodate the change e.g. there was clear reporting
relationships and use of IT for reporting progress, change was documented, while others felt that there was no resistance to change as awareness was created.

The study also found that in order to overcome resistance to strategic change, there was training of staff on strategic change and its importance, recognition of those who participated in the change process, teamwork among senior staff on common tasks and projects, motivating staff by rewarding them for change, creating of change champions among staff members, use of consultants to share experience from other organizations that had undergone the process, lobbying, frequent meetings in the organization to communicate change, staff were prepared through counseling, documenting change, involvement of every staff member in order to create ownership and to avoid resistance to change.
CHAPTER FIVE
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter gives the discussions (summary of the findings from chapter four), gives conclusions and provides recommendations of the study based on the objectives of the study. The objectives of this study were to establish how strategic change was managed at P.C.E.A Eastleigh community centre and also to establish the challenges faced to strategic change programme.

5.2 Discussions
From the findings, the study established that the strategic changes that had taken place at P.C.E.A Eastleigh community centre since 2004 were formulation of policies on gender development, teamwork and cooperation among the staff was enhanced, staff attitude and understanding was very low but it has drastically improved, the community centre had moved from centre based to community based development creating more impact to the community, it had moved from relief support and infrastructure to empowerment oriented programming, the attitude of staff had changed and people now love what they do, previously there was reactive approach but now there is proactive approach, the culture has also changed to performance based with introduction of performance contract and also communication between the church and organization had improved. According to the study, strategic change was very necessary for the organization as it led to the renewal of the whole organization, culture was negative and backward, it brought new mindset, created awareness within staff about the need for training and building organizational capacity, there was modernization of services and training, there were technological developments, modern machines e.g. computers and there was also skilled manpower.

In order to manage these changes the organization restructured the board and staff, ventured into new markets, leadership was changed and new staffs were recruited. According to the study, the process of managing change was successful as process was successful because it was well managed, the board communicated the vision and involved
the entire staff and community, and they continuously reaffirmed the new direction and continuous review of the process and gave feedback on short term gains e.g. donors.

The factors that favored the change process according to the study were leadership i.e. the board members steered the process, donor support, receptive management, external opportunities like new donors focus, flexible organization structure, new government came into place, adequate facilities to accommodate change, recruitment of new and skilled staff, goodwill form community, change in management and new people came into the organization, emergence of new interventions e.g. advocacy, people were aware of the need for change, government policies e.g. free primary education and global developmental trends e.g. changing donor policies. The factors that inhibited the change process were financial difficulties, organizational culture was excessively negative, uncertainty of the consequences of change, rigidity of organizational structure and culture, low morale among the staff, incompetent staff and also board members were not very visible in programme activities.

The study also found that all the stakeholders i.e. staff, board, church, technical experts, community, consultants (community development), donors and partner organizations were involved in the change process. The major outcomes of strategic change were new organization culture (performance culture) due to change of staff attitude, well trained staff, new vision, mission, objectives and programmes, flexible and adaptable organization structure, collaboration with the government in training and equipment, enhanced financial base, organization capacity i.e. more training to staff, new machines, improved performance, unity and teamwork among the staff, improved service delivery, goodwill from donors and other stakeholders and more interactions between Muslims and Christians. The major successes of this process were that there was more impact on the community through developed programmes, acceptance of change and creating a learning organization, high enrollment, ownership of the centre, donor confidence, improved governance, enhanced image of the centre to the community, financial output, new donors, more youths were trained, learning organization was created, staffs were more motivated, renewed energy in the organization, financial stability, well trained and competent staff and positive organizational culture.
From the study, the organization was responding to changing development landscape by regular reviews of the strategy, introduction of new programmes e.g. refugee empowerment programmes, conflict transformation and emergency response, adaptation of ICT/technology to enhance service delivery, developing new programmes in line with global trends, introduction of packages that are in line with the need, enhancing performance, responding positively to developmental change, appreciation of the programmes by community, seeking advice continuously both internally and externally (consultants) and by having a good feedback system. The opportunities that favored the change process in the organization were ready community which was aware of the organization services, donors who were willing and ready to support, availability of human resources e.g. community facilitators, free primary education, new leadership i.e. change of board of directors, change of leadership in primary school and VTC, national youth policy entrepreneurship, new government with emphasis on entrepreneurship and youth development, global development changes and donors were fatigued on giving relief and they were looking for something more sustainable, improved communication (website) and partnerships with other organizations.

The study also revealed that the major challenges of implementing change were lack of understanding, mistrust from the community and within the organization, lack of finances, since there was no documented strategy and therefore there was lack of understanding by staff, some donors were not sure of the strategic change, organization culture was negative, changing people’s attitudes, target group (community) was ignorant of services, crush in programmes between Muslims culture and Christian culture, some of the subjects taught were inconsistent with the target community e.g. IRE and CRE, attitude of staff, political instability in the country, economic hardships i.e. recession and donor usurping of funding.

According to the study, the current outstanding critical areas that needed to be addressed were staff attitude in some sections, structure of the organization need to be realigned with the change and made more flexible, awareness creation to the community of the centre and in new strategic perspective, enhancing capacity of staff and brand to respond to changes in the global development, new programmes, new training approach, training of staff, reinforcement of strategic change, enhancing social cohesion amongst staff,
realignment of programmes and projects, organizational capacity building, ICT infrastructure for training and reliable water and power supply. In order to handle resistance to change the organization communicated the changing needs to the organization, staff training, increased salary/review, external sourcing of staff, negotiation with donors for extension of existing programmes support, involvement of staff in strategic planning and formulation of programmes and projects, threats of dismissal to those resisting and other were actually dismissed, structure and systems were changed to accommodate the change e.g. there was clear reporting relationships and use of IT for reporting progress, change was documented.

In order to overcome resistance to strategic change, the study found that there was training of staff on strategic change and its importance, recognition of those who participated in the change process, teamwork among senior staff on common tasks and projects, motivating staff by rewarding them for change, creating of change champions among staff members, use of consultants to share experience from other organizations that had undergone the process, lobbying, frequent meetings in the organization to communicate change, staff were prepared through counseling, documenting change, involvement of every staff member in order to create ownership and to avoid resistance to change.

5.3 Conclusions
From the findings of this study, the study concludes that strategic change was managed at P.C.E.A Eastleigh community centre through regular reviews of the strategy, introduction of new programmes e.g. refugee empowerment programmes, conflict transformation and emergency response, adaptation of ICT/technology to enhance service delivery, developing new programmes in line with global trends, introduction of packages that are in line with the need, enhancing performance, responding positively to developmental change, appreciation of the programmes by community, seeking advice continuously both internally and externally (consultants) and by having a good feedback system.

The study also concludes that the challenges faced to strategic change programme were lack of understanding, mistrust from the community and within the organization, lack of finances, since there was no documented strategy and therefore there was lack of
understanding by staff, some donors were not sure of the strategic change, organization culture was negative, changing people’s attitudes, target group (community) was ignorant of services, crush in programmes between Muslims culture and Christian culture, some of the subjects taught were inconsistent with the target community e.g. IRE and CRE, attitude of staff, political instability in the country, economic hardships i.e. recession and donor usurping of funding.

5.4 Limitations of the study
The study was limited by a number of factors. The development environment in which the Centre operates was still very turbulent, the organization was still responding to these changes. This means that the correct measurement of the effect of the strategic change that has taken place since 2004 could not be established.

Just like any other case study, the findings of the research could not be generalized. This is because the study was of one particular unit and the interest was the depth of the issues. Therefore this study may not apply to other Faith Based organizations.

The study was conducted when the organization was at the peak of activities. Therefore most senior staffs were too busy to give adequate time to the researcher. Therefore more time was consumed on interviews than earlier anticipated. Some programme officers also delegated the responsibility to their assistants.

5.5 Recommendations
The study therefore concludes that in order to successfully manage change at P.C.E.A Eastleigh community centre, there should be adequate knowledge and awareness about many of the critical issues involved in the management of such change. As it was found in the earlier studies, the study also concludes that if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues which accompany strategic change management.
The study also concludes that for the organization to overcome the challenges faced in strategic change programme the organization should involve the staff in strategic planning and formulation of programmes and projects and especially those that directly affect them, there should be regular training of staff in order to make them ready for change and to reduce resistance to change, the training of staff also will ensure that the staff have the capacity to handle the change. There should also be proper communication of change in the organization. This is because as earlier found in this study, the real power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction.

5.5 Suggestions for Further Research
The researcher therefore recommends that further research needs to be conducted in other types of organizations to establish the strategic change management practices in these organizations and to compare them with those of PCEA Eastleigh community centre.
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APPENDICES

Appendix 1: Research Instrument

Strategic Change Management at P.C.E.A Eastleigh Community Centre

Interview Guide

Section 1

1. How would you describe the strategic change that has taken place at P.C.E.A Eastleigh community centre since 2004?
2. What aspects of this strategic change are visible?
3. Was the strategic change necessary for the organization?
4. How did the organization respond to this change?
5. What is your view on the process of managing this change?
6. Which factors favored the change process?
7. Which factors inhibited the strategic change process?
8. Were all stakeholders involved in the change process?
9. What were the major outcomes of this strategic change?
10. What were the major successes of this process?
11. How is the organization currently responding to changing development landscape?

Section 2

1. What opportunities that favored the change process?
2. What were the major challenges of implementing change?
3. What are the current outstanding critical areas that need to be addressed?
4. Was there resistance to change and how was it handled?
5. What was done to overcome resistance to strategic change?
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23RD SEPTEMBER 2009  

TO WHOM IT MAY CONCERN  
The bearer of this letter Ehud M Gachugu Registration Number D61/71641/07 is a Master of Business Administration (MBA) student of the University of Nairobi.  

He is required to submit as part of his coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him by allowing him to collect data in your organization for the research. The title of his research is “Strategic Change Management at Presbyterian Church of East Africa Eastleigh Community Centre”  

The results of the report will be used solely for academic purposes and copy of the same will be availed to the interviewed organizations on request.  

Thank you.  

_________________________________________  
DR. W. N IRAKI  
CO-ORDINATOR, MBA PROGRAM