STAKEHOLDER INVOLVEMENT IN CHANGE MANAGEMENT AT
KENYA PORTS AUTHORITY

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DECLARATION

I declare that this project is my original work and has never been presented for the award of a degree in any other university or institution of Higher Learning.

Signed........................................  Date ..................................................

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D61/73707/2012

This Management Research Project has been submitted for examination with my approval as the University Supervisor.

Signed ..........................................  Date ..................................................

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DEDICATION

To my mother Rosemary A. Wanyama and children - Consolata Shing’ola and Marion Ang’asa. I thank God for all of you. You are the inspiration in my life. Be blessed, Always.
ACKNOWLEDGEMENTS

I thank the Almighty God for enabling me to be where I am today. May His name forever be exalted.

My lovely children Sherman and Marion, for putting up with me when I am engrossed in my assignments and always urging me to finish up this project. I thank you so much and love you to bits. Special mention to my mum who has silently urged me on. Thanks mama.

I wish to extend my sincere thanks to my supervisor Dr. Vincent Machuki for his patience, constructive criticism, guidance and advice.

Lastly, to all my friends, colleagues and classmates who supported me in one way or another. Asanteni sana.

God bless you all abundantly.
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**ACRONYMS AND ABBREVIATIONS**

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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<tr>
<td>GM</td>
<td>General Manager</td>
</tr>
<tr>
<td>KEBS</td>
<td>Kenya Bureau of Standards</td>
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<td>KEPHIS</td>
<td>Kenya Plant Health Inspectorate Services</td>
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<td>KPA</td>
<td>Kenya Ports Authority</td>
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<tr>
<td>NOAA</td>
<td>National Oceanic and Atmospheric Administration</td>
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<tr>
<td>NSSF</td>
<td>National Social Security Fund</td>
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<tr>
<td>OD</td>
<td>Organizational Development</td>
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<tr>
<td>OCPD</td>
<td>Officer In Charge of Police Department</td>
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<tr>
<td>SRI</td>
<td>Stanford Research Institute</td>
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<td>TEUS</td>
<td>Twenty Equivalent Units</td>
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ABSTRACT

Organisations are embracing stakeholder management in their strategic operations in order to gain competitive advantage in business. Stakeholders have become an integral part of KPA in their different capacities as shareholders, customers, staff, government agents, the general public, suppliers and business partners. Involvement of stakeholders raises the chances of provision of better services and products that are more customer oriented. It has been suggested that the stakeholders' involvement in change management is important for the success of the change initiatives. The environment that organisations operate in is turbulent and they require initiatives that can bring about incremental changes that can serve to propel the organisation forward. Stakeholders need to be involved from the beginning of the change process and kept updated throughout the process. This study delved into the intricacies of stakeholder management particularly the aspect of extent of stakeholder involvement in change management and the factors that influence this involvement. This research was conducted through a case study by primarily employing interview guides and semi-structured questionnaires as data collection tools. Data was collected from KPA management, its staff and external stakeholders. Data collected from management and KPA staff with the aid of interview guides was analysed using content analysis. Data collected using semi-structured questionnaires was analysed using content analysis and descriptive analysis. The study determined that KPA was involving its stakeholders in its initiatives though this was not being done at all stages of the process. The organisation needs to involve its stakeholders more especially in the planning phase of the changes in order to gain more from the stakeholders’ contributions which could be very vital in charting its way forward. Furthermore, the organisation needs to do proper stakeholder management for it to gain from its benefits. This can be achieved by putting proper policies in place and reinforcing them with constant practice.
CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The business world in the 21st century is characterised by turbulence due to the rapidly occurring changes in technological, economical, political and social sectors. Change is an ever present feature of organisational life, both at an operational and strategic level (Burnes, 2004). Organisations that are not able to keep up with these changes are rendered obsolete, a factor that has made change to be considered as a constant thing in life that needs to be embraced and managed well. Change being fundamental in today's survival of business entities, therefore, requires proper management for organisations to derive benefits from the process.

Change management is the use of systematic methods to ensure that the organisation's 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 (Davis & Holland, 2002). The change process requires participation of different stakeholders to ensure success. According to Ad-esse Consulting (2008), a stakeholder is anyone who could and should have an interest in what you are trying to achieve. Stakeholder Management is an obligation to serve all stakeholder interests. Stakeholder involvement in change management being an important factor in successful change management calls for proper management of stakeholders due to their diverse interest and influence in an organisation’s operations.
According to stakeholders theory (Freeman, 1984), an organisation exists to create as much value as possible to its stakeholders. (Bloom, 2000) as cited in Mwikuyu (2009), notes that it is well-known that broad-based stakeholders' involvement and commitment are crucial for successful strategy and action plan implementation, thus, good for sustainable organisational development. An organisation is an open system that has constant interaction with other players in the environment. The open system theory proposes that organisations behaviour and structure are usually affected by the surrounding environment and also by the subsystems in the organisation. Thus, organisations described as open systems are part of a much larger network rather than independent self-standing entities (Freeman & McVea, 2001).

Change is all about learning (Beer, Eisenstart & Spector, 1990) as cited in Kinuu, Maalu & Aosa (2012). In order to manage change process effectively, various parameters which help determine the efficacy of change need to be analysed. According to Mason (2007), peoples attitude before and after the change programme need to be evaluated and compared. Participatory level of the stakeholder in the change process will determine whether the change process has been positively welcomed or not. Performance level and the degree to which the objectives of the business which form the basis of implementing the change program will help the organization gauge if change essential or not. Deliberate efforts, therefore, have to be made in planning organisation-wide effort to increase the organisation's effectiveness and efficiency. Beckhard (1969) defines organisation development as an effort, planned, organisation-wide and managed from the top to increase organisation effectiveness and health through planned interventions in the organisation's
processes using behavioural science knowledge. Organisational development is an ongoing, systematic process of implementing effective change.

Change in the Kenyan public sector, more so in state parastatals has been driven by technological innovation and changes in government policy brought about by the constitution; aggressive competition from other organisations in the same industries has also immensely contributed to change (Hope, 2012).

Kenya Ports Authority is in competition with other ports of Africa like the Port of Dar es Saalam, Tanzania and Port of Durban, South Africa. According to the KPA Handbook (2009), changes had to be initiated in order to keep the organisation at a competitive level. KPA being a public organisation requires participation of different stakeholders especially in the public sector for its success. It is therefore imperative that these stakeholders’ interests and opinions are included in the change management process for the process to have a chance of success.

1.1.1 Concept of Change Management

The turbulence in the environment and diversity in organisations cause changes which need to be embraced for the organisations survival. According to Burnes (2004), organisational change is an ever-present feature in organisational life. This calls for a process to ensure that change is accepted. Change management is a structured approach to transitioning individuals, teams and organisations from a current to a future desired state, to fulfil or implement a vision and strategy. Change management can be defined as a
planned, managed, systematic process to change the culture, systems, behaviour of an organisation. It seeks to improve the organisations effectiveness in solving its problems and achieving its objectives. Kurt Lewin (1951) developed a three phase model of change: unfreeze (create the need for change, due to dissatisfaction with the status quo); Move (identify and mobilise the resources required to effect the change); refreeze (embed the new ways of working in the roots of the organisation).

Unfreezing starts from the members understanding of the organisational crisis or vision that motivates them to change, normally, unfreezing will go through three stages. First of all, there must be enough information indicating that the current organisational condition is not ideal. Secondly, this information has to be related to the important goal of the organisation, thus elicits members’ anxious feeling. Finally, a solution has to be proposed that will reduce the members’ insecure feeling and resistance to change (Schein, 1992).

Moving is taking certain actions to transform the organisation to an expected condition. The moving process is quite complicated; it involves goal setting, support seeking, resource finding, planning and execution. There are two forms of moving; problem solving orientation and vision orientation. The organisation may adopt either one according to their specific situation.

Freezing is to stabilise the change achieved in the moving stage. The individual, department, and the organisation, all have an inertial way of thinking and doing, so that the change achieved in moving state will return to the status quo ante if freezing is not done.
Form new rules, regulate new behaviours directly, reinforce appropriate responses, are possible ways to internalise the new value or behaviour into the organisational culture.

Change management is a process that places focus on people who are directly or indirectly affected by the changes. In order to successfully manage change processes, managers need to know what changes to expect, the types and situations, as well as possible problems likely to be experienced including causes of resistance and possible solutions. Resistance to change is a common occurrence during the change process. Ansoff (1990) defines resistance as a multifaceted phenomenon, which introduces unanticipated delays, costs and instabilities into the process of change. Resistance occurs whenever there is a departure from the 'usual' behaviour. Human beings prefer maintaining a status quo. Lewin (1951) as cited in Cole (2004), states that all behaviour is as a result of equilibrium between two sets of opposing forces, the driving forces and the restraining forces. When the driving force is stronger than the restraining force, change occurs but if the restraining force exceeds the driving force, a status quo is maintained.

According to Eisenbach, Pillai and (Watson, 1999) as cited in Kinuu, Maalu & Aosa, (2012), the importance of leadership in change management process is underscored by the fact that change, by definition, requires creating a new system and then institutionalising the new approaches. Successful change practices can only be carried out with proper change management which is usually a responsibility of top management in any organisation. In many organisations, the chief executive officer becomes the change sponsor enabling smooth facilitation of the process (Ad-esse Consulting, 2008). However,
the other staff and stakeholders in general have a role to play in the process. To successfully plan and implement change in any organisation, good change management practices are required.

1.1.2 Stakeholder Management and Involvement

Freeman (1984) defined a stakeholder as any group or individual who can affect or is affected by the achievement of the organisation's objective. (Bryson, 1995) as cited in Bryson (2004) defines a stakeholder as any person, group or organisation that can place a claim on the organisations' attention, resources, or output, or is affected by that output. Stakeholder management is a process guided by underlying principles that ensures an organisation meets its strategic objectives by interpreting and influencing the external and internal environments and by creating positive relationships with stakeholders through the appropriate management of their expectations. Stakeholder management can be done using the process of stakeholder identification, stakeholder analysis, stakeholder matrix, stakeholder engagement and communicating of information (Ad-esse Consulting, 2008).

According to Njoka (2010), the idea of stakeholder management, or stakeholder approach to strategic management, suggests that managers must formulate and implement processes which satisfy all and only those groups who have a stake in the business. Management in an organisation have to harmonise the requirements of the business to those of the stakeholders to ensure long-term success of the organisation. When it comes to important corporate decisions, it is necessary to know about the expectations of different stakeholders
and to determine to what extent they could and would exert an influence (Yilmaz & Gunel, 2008).

Yilmaz and Gunel (2008), further argue that the importance of stakeholder management is not limited to day-to-day business. On the contrary, it is primarily concerned with long-term strategic decisions. Since stakeholder management's primary concern is with long-term strategic decision, it is prudent to involve the stakeholders in planning and executing these decisions for their overall success.

According to Ayuso, Rodriguez and Ricart, (2006), firms are posited to pay attention to stakeholder influence for normative and instrumental reasons. Normative explications of stakeholder theory move firm-stakeholder relations into an ethical realm, proposing that managers should consider the interests of those who have stakes in the organisation (Ayuso, Rodriguez & Ricart, 2006). In this view, stakeholders have a legitimate interest in the affairs of the organisation (Donaldson & Preston, 1995). By contrast, instrumental stakeholder theories predict firm behaviour on means-ends reasoning, whereby the firm pursues its interests through managing relationships with stakeholders (Jones, 1995). The instrumental orientation sees firms as addressing the interests of stakeholders who are perceived to have influence (Ayuso, Rodriguez & Ricart, 2006).

1.1.3 The Public Sector in Kenya

Changes in the global environment have not left the public sector untouched. The Kenyan public sector has been affected by globalisation, public sector reforms, regional and
international partnerships, climate change, information, communication and technology (ICT) and Human Resource Development, among other factors (Muthaura, 2010). Most of the public sector reforms in developing countries in the past were brought about as part of the Structural Adjustment Programmes (SAPs) by the World Bank (Hope, 2012). Private sector practices have now been adopted in public sector organs in an emergent concept known as the New Public Management. However, there have been recent reforms that have been driven by a combination of economic, social, political and technological factors which have triggered the quest for efficiency and for ways of cutting the cost of delivering public services. Two major factors in the political sphere have triggered change and these are the constitution of Kenya and Kenya Vision 2030. According to (Isahakia, 2010) as cited in Hope (2012), the government of Kenya currently regards its public sector transformation strategy as a dynamic and focused process designed to fundamentally reshape the Public service to accomplish its role in the achievement of Vision 2030.

1.1.4 The Kenya Ports Authority

Kenya Ports Authority is a state corporation incorporated under an Act of Parliament (CAP 391) on January 20, 1978. It has been mandated to maintain, operate, improve and regulate all scheduled sea ports situated along Kenya's coastline. These include the Port of Mombasa (Kilindini harbour), Port Reitz, the Old Port, Port Tudor and other smaller ports along the coastline. The Port of Mombasa is a logistics hub for the region serving Kenya, Uganda, Rwanda, Burundi, Southern Sudan, Eastern DRC, Northern Tanzania, Ethiopia and Somalia (Atonga, 2010).
The management of KPA realised that with the global changes that were affecting every industry in the world, it needed to make changes of its own in order to survive and be profitable (Kenya Ports Authority Business Plan (2010-2013). Competition from the Port of Durban in South African which has been greatly modernised in terms of equipment and automated workforce and more competition from the Port of Dar es Salaam due to its adoption of modern work procedures necessitated change in KPA. KPA initiated its change programme in 2000 by implementation of SAP and change of organisational structure and work procedures to align itself with the external environment. These changes were done incrementally in phases for easier adoption. The main objective of the change management program was to contribute to the success of SAP implementation. SAP is an enterprise resource planning programme that was introduced to automate work processes in the organisation in order to increase efficiency. The change management program was expected to help business transformation in order for KPA to achieve its goals and objectives (KPA, 2009).

In order to deliver its services effectively to its customers, KPA works in collaboration with government organs like Kenya Revenue Authority, Kenya Plant Health Inspectorate Services (KEPHIS), Port Health, Kenya Police, Rift Valley Railways and many other organisations that are required in the handling, clearing and transportation of cargo (Atonga, 2010). Any changes that occur in the operations of the organisation will affect these government organs together with customers, suppliers, and staff not to mention the community living around the organisation. Hence their involvement in the change process is important depending on their power and influence on the organisation.
1.2 The Research Problem

Change being a constant in today's' business world requires to be managed well. Change management is a process that ensures changes are adopted well. Scholars and researchers have come up with strategies and techniques to assist managers in transitioning organisations. Due to the turbulence of the environment, these techniques and strategies keep changing to overcome the challenges in the environment. Stakeholder management has been one of the factors that affect successful change initiatives and as such researchers have delved into ways of ensuring the process is successful in organisations. Stakeholders' involvement in change management is essential since the contribution from the stakeholders is very important especially when crafting out and implementing strategy (Ad-esse Consulting, 2008). Change has the risk factor of being resisted especially if all stakeholders were not involved from the beginning of the process. Proper involvement of the right stakeholders is required in order for the change process to be successful.

Kenya Ports Authority is strategically located giving it an advantage over other ports in Africa. Despite this factor, it has been losing its market share of regional port traffic to competition from the Port of Dar es Salaam and Port of Durban (Muchelule, 2010). These factors are posing a serious competitive challenge to KPA whose long term strategic objective is to restore the port as the regional hub and become a landlord port (Kenya Ports Authority Strategic Plan, 2010-2013) and become a world class seaport of choice. As a result, KPA has implemented changes and these changes required participation of relevant stakeholders in order for them to succeed. The concept of stakeholder involvement in
change management in KPA is therefore a vital ingredient for successful planning and implementation of change. Stakeholders are affected in different ways by changes and this may result into resistance by some who want to safeguard their interest and maintain the status quo. This study seeks to establish how KPA has gone about involving stakeholders in the organisations' change process.

A number of studies have been done on the subject of change management and strategy implementation but many have not linked it to the significance of stakeholder management and involvement especially in the context of KPA. Abiero (2010), carried out a study on challenges of stakeholder management in implementation of Sondu Miriu Hyro-Electric Power project in Kenya; Mwikuyu (2009), delved on the extent of stakeholder involvement in strategy formulation and implementation in the NSSF; Kiange (2007), carried out a study on Change management practices at KPA; Tai (2007), carried out a study on Strategy implementation at KPA; Muchelule (2010) carried out a study on Strategic responses by KPA to changes in the external environment; none of these studies has tackled the issue of stakeholder involvement in change management at KPA.

Kenya Ports Authority offers essential services to the public and has an obligation to provide excellent services that will delight its customers. It cannot achieve this objective without the inclusion of the stakeholders in decision making and policy making. Its stakeholders are important for the performance and survival of the organisation. It must also be remembered that being a public corporation, its stakeholders are numerous and their interest are therefore many and varied. This makes it imperative that the organisation
has to manage the stakeholders well in order to derive maximum benefit from their involvement in the affairs of the organisation. Stakeholders can contribute immensely in improvement of the facilities and services being offered by the organisation and this, in turn can make it competitive in the region as well. At the same time, the involvement of stakeholders can at times serve to derail the development of the organisation.

According to National Oceanic and Atmospheric Administration (2007), Involving stakeholders can be costly, time-consuming, labour-intensive, and confrontational, and can ultimately delay decision-making. Additionally, if improperly managed, stakeholder participation can create new conflicts or escalate existing ones. Their involvement should be quantifiable and involvement pegged on the importance and necessity of their participation in the process. This therefore implies that stakeholder involvement needs to be balanced to a level where the benefits of their involvement outweigh the negative effects. The organisation has stakeholders that are involved in its affairs but the question is, "What is the extent of stakeholder involvement in change management at KPA?"

1.3 The Research Objective

The objectives of the study were to:

i. Determine the extent of stakeholder involvement in change management at KPA.

ii. Determine the factors that influence the level of involvement.
1.4 Value of the Study

This study served to build on the available theory in areas of change management and Stakeholder theory and management. Management practitioners and scholars can use it as a point of reference when conducting further studies in the field.

The study will also help in matters of policy development in areas of stakeholder involvement in change management in KPA and other organisations. Most organisations take normative relationships with stakeholders as of less importance than the instrumental relationships. This study will highlight the importance of stakeholders in change management leading to development of relevant policies that will eventually lead to competitive advantages to the organisations.

The study results will be important to practitioners in the management levels in contributing to the existing body of knowledge in the area of management in general and change management and stakeholder management and involvement in particular. In particular, the study will help the management of KPA in establishing the level of stakeholder involvement in their change process and the importance of their involvement in the process leading to changes in their management practice.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed past studies, journals and other published articles with regard to organisational change management, stakeholder management and involvement in change management. Only the issues in the objectives were featured, critically reviewed and discussed.

2.2 Theoretical Underpinnings of the study

This study draws from four different theories; stakeholder theory, open systems theory, organisation development and complexity theory. Freeman (1984) gives the traditional definition of a stakeholder as any group or individual who can affect or is affected by the achievement of the organisation's objectives. The stakeholder concept redefines the organisation. The concept is all about what the organisation should be and how it should be conceptualised. According to Friedman (2006), the organisation itself should be thought of as a grouping of stakeholders and the purpose of the organisation should be to manage their interests, needs and viewpoints. This enables the organisation to benefit from the association with stakeholders. Freeman (1984) includes in his list of stakeholders as suppliers, customers, employees, stockholders and the organisations local community. Stakeholder approach has its critics who believe that it is not beneficial performance-wise to always consider the plight of the stakeholders especially for normative reasons. However, many see the stakeholder concept as a useful one. Stakeholder analysis provides
organisations with lenses through which to pay attention to the full range of interested parties (Mwikuyu, 2009).

Organisations are seen as systems that comprise subsystems whose interrelationships and interdependence sustain its survival. Systems theory has complex roots, but the strand that is relevant to stakeholder theory was pioneered by (Russel Ackoff and C. West Churchman, 1947) as cited in Freeman & McVea (2001). According to Freeman & McVea (2001), systems theory emphasises the external links that are part of every organisation. Thus, organisations described as 'open systems' are part of a much larger network rather than as independent self-standing entities. Open systems approach views the interaction of the organisation with the external environment as vital to its survival and success. A fit between the organisation and its subsystems as well as the external environment is important in order to achieve the organisations goals.

(French & Bell, 1973) as cited in Clark (1989) defined organisational development as a long range effort to improve an organisation's problem-solving and renewal processes particularly through a more effective and collaborative management of organisation culture with special emphasis on the culture of formal work teams with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioural science, including action research. According to Clark (1989), OD is intended to change the systems of beliefs and values of the organisation, to integrate individual and organisational objectives, and to improve an organisations problem solving and renewal capabilities.
Complexity theory focuses on how parts at a micro-level in a complex system affect emergent behaviour and overall outcome at a macro-level (McElroy, 2000; McKenzie & James, 2004) as cited in Amagoh, (2008). (Sherif, 2006) as cited in Amagoh (2008), explains that it is concerned with the study of emergent order in what otherwise maybe considered as very disorderly systems.

Complex systems are characterised by a large number of interacting elements within the system. Amagoh (2008) further explains that as the complexity of a system increases, the ability to understand and use information to plan and predict becomes more difficult. Since organisations are complex systems, an implication is that the organisation is able to learn from its environment and change in its internal structure and its functioning over time, thus changing the behaviour of individual elements (Sherif, 2006; McElroy, 2000; Paraskevas 2006) as cited in Smith and Humphries (2004).

In a complex system, each component acts to the best of its interest; collectively they cause the system to move to a certain direction which may be hard to predict (Amagoh, 2008). Since there is no central control unit in a complex system, it is difficult to determine the attribution of any one part to the performance of the whole because of the confounding effect of a change in one part on other parts and the whole (Ferlie, 2007; Mckenzie & James, 2004; Mason, 2007). The parts are constantly seeking to improve performance by driving the system away from equilibrium (Kaufman, 1993; Sherif, 2006). Over time, the extensive interaction between the parts determines the behavior of the overall system within its environment. The parts learn from these interactions and restructure themselves
to better adapt to the environment (Levinthal, 1997; Styhre, 2002; Montouri, 2000 as cited in Amagoh, 2008).

2.3 Managing Organisational Change

Change can originate from external sources through technological advances, social, political and economic pressures, or it can come from inside the organisation as a management response to a number of issues such as a change in the needs of clients, change in costs or human resource or performance issue. Regardless of the origin of change it requires adopting new mindsets, processes, policies, practices and behaviour. Burnes (2004) observes that organisational change is an ever-present feature in organisational life. Therefore management have to always be ready for change at any time it occurs. It involves responding to change or anticipating change. Organisations therefore need to make strategic changes to align their resources to match the changing environment.

According to (Hill, 2004) as cited in Njoka (2010), strategic change management is a process of moving an organisation away from its present state towards some desired future state to increase its competitive advantage. They observe that most of the organisations have gone through some kind of strategic change as their management have tried to strengthen their existing core competencies and build ones to compete more effectively. Change management, which falls within the broader theoretical framework of social change (Lewin, 1951, 1958), has been a perennially popular topic in the organisational effectiveness and management literature. Johnson and Scholes (2002), define change management as the deliberate and coordinated actions taken to transform an organisation to
overcome environment challenges in order to achieve its objectives. Change management is the process of taking a planned and structured approach to help align an organisation with the change. Hill and Jones (2001), propose the following in addressing change management; determining the need to change, determining obstacles to change, implementing the change and finally evaluating the change.

In order for any organisation to thrive in the complex business world, it must embrace strategies that have been developed to successfully manage change. The theory and practice of organisational change contains elements of both behaviourist and cognitive learning theories (Zajac & Kraatz, 2003) as cited in Abiero (2010). According to the Kurt Lewins Model of Change, there is a three step process of managing organisational change. Unfreezing is the first step of the change process and it involves reduction of the forces that are thriving to maintain a status quo, and dismantling the current mindset. The second step is the transition period otherwise referred to as change whereby new behaviours, values and attitudes are developed through organisational structure and process changes and development techniques. Freezing is the final step and it involves adapting to the new way of doing things. There is a risk of the organisation reverting to the old ways of doing things if the changes are not reinforced through freezing.

Change management, as an organization-wide phenomenon, should be measurable in terms of its effect on an organization at large (Mason, 2007). The stakeholders need to appreciate both the positive and negative effects of the change on them and their involvement in managing the change. The extent to which people, or otherwise stakeholders, are involved
in the change management process will affect its outcome to a large extent (Fombrum et al, 1993). This people dimension of change means that it must be driven and directed. On the other hand, business processes, systems and structures need to be evaluated and monitored to see the effect of change on them. In this way, the stakeholders will be able to appreciate the value of the change on the organization at large.

2.4 Stakeholder Management and Involvement

Organizations have to deal with not only the needs of their shareholders, but also various other groups including employees, suppliers, public interest groups like environmental organizations, customers, strategic partners, media people, public monitoring bodies, financial institutions, governmental bodies, competitors, intermediaries, and unions (Yilmaz & Gunel, 2008). Therefore, the first step of strategic stakeholder management is to determine the important stakeholders of the organization which can influence the organization and be influenced by the organization. Stakeholders are involved in the change process in different levels depending on the type of effect the change will have on them or depending on the contributions that they can have on the change.

According to Ad-esse Consulting (2008), the following process can be applied in stakeholder management: The first step is to identify all stakeholders; secondly, categorise stakeholders by interest and influence; thirdly, Consider whether stakeholder is positive or negative; fourthly, define engagement or communication scope for each stakeholder; fifth step is to develop plan for managing each stakeholder, including measures of success; seventh step is to deliver plan, and lastly, review success and refine plan. The only way to
effectively manage your stakeholders is to know and understand them. Stakeholders are
categorised to ensure that resources are spent effectively in managing them the right way.
Ad-esse consulting (2008), further posits that stakeholders are categorised as a basis for
planning how to manage them through change. The strategy is to satisfy high interest and
low influence stakeholders; engage high interest, high influence stakeholders; keep
briefed high influence, low interest stakeholders and give simple messages to low interest,

Management can analyse the level of involvement of stakeholders and their effect on the
business performance. Stakeholder analysis is a means of identifying socio-political
aspects of organisational decision-making by recognising, classifying, and managing
different stakeholder interests. Stakeholders are individuals or group of people with an
interest in an organisational issue who influence the way it is devised and resolved.
According to (Simmons, 2004) as cited in Yilmaz & Gunel (2008), there exists three
premises which underline stakeholder theory: organisations have stakeholder groups that
affect and are affected by them, these interactions impact on specific stakeholders, and the
organisation, and perspectives of salient stakeholders affect the viability of strategic
options. It is imperative for management to know how specific stakeholders impact them
or are impacted by the organisation so that they can form strategies that are beneficial to
both the organisation and the stakeholders in the long run (Ad-esse Consulting, 2008). For
them to do this, they have to involve stakeholders during the planning phase of the
strategic management process.
The stakeholders of an organisation can be divided into primary stakeholders and secondary stakeholders, according to the relationship between their interests and the company. They can also be divided into the external and internal stakeholders depending on if they those who are members of the company (Zhao, 2006) cited in Yilmaz & Gunel (2008). (Artkinson et al, 1997) as cited in Gomes (2006) have argued that stakeholders can be seen as environmental or process related. Environmental stakeholders are those included within the external environment in which the organisation operates. (Kaler, 2002) as cited in Gomes (2006) classifies stakeholders as claimants, influencers or even a combination of both.

2.5 Stakeholder Involvement in Change Management

The support of stakeholders is important for any change plan to be successful; this should not be restricted to the owners, but should include all staff, principal customers, suppliers and others who provide support to the business in its day to day or long term business activities. (Stanford Research Institute, 1963) as cited in Freeman & McVea (2001) argued that managers need to understand the concerns of shareholders, employees, customers, suppliers, lenders and society, in order to develop objectives that stakeholders would support. This support was necessary for long term success. Therefore, management should actively explore its relationships with all stakeholders in order to develop business strategies (Freeman & McVea, 2001). According to (SRI, 1963) as cited in Freeman & McVea (2001), the support of all stakeholders is central to the firm's success. In this context therefore, a firm should formulate strategies that integrate the interest of all stakeholders.
Identification of stakeholders who are affected and can affect the change management process is very vital in order for an organisation to determine who to engage in the process. Bryson (1995) argues that deciding who should be involved, how and when in doing stakeholder analyses is a key strategic choice. According to (Thomas, 1993) as cited in Bryson (1995), people should be involved if they have information that cannot be gained otherwise, or if their participation is necessary to assure successful implementation of initiatives built on the analyses. This therefore clearly indicates that identification is determined by the influence and power the stakeholders have in the process. Considerations on how the change will affect them, how they can influence the change, whether they have the power to stop or undermine the change and how important they are have to be made. Stakeholders are engaged to give an organisation a competitive edge and their involvement ensures success of the change process. Stakeholder involvement in change management gives the organisation an opportunity to have new ideas in its strategy and have allies during the change process which eventually ensures success of the effort.

Svendesen (1998), argues the case for competitive edge as an outcome of effective stakeholder engagement. As paradoxical as it sounds, one way to succeed in a highly competitive globalised economy is to co-operate. Simmons, 2003, is of the view that incorporating stakeholder views in decision-making processes enhances organisational performance and commitment. In this context, Hitt, Freeman and Harrison (2001) point to the major post-1980's contributions made to stakeholder theory by Ackoff and Churchman (1947), who applied a systems theory approach describing organisations as open systems
and acknowledging their interdependence with external networks; and Katz and Kahn (1996) who developed organisational frameworks defining the organisation relative to the system around it.

Whether emergent or pre planned change, Booz (2011) pointed that three things need to be catered for to ensure that the process of change is successful. The first thing is that there needs to be a change team which is a coalition of all the stakeholders in the change process, the process of change needs to be communicated throughout the organisation and the organisation needs to communicate a sense of urgency to ensure that the change processes do not stagnate. This clearly highlights how important stakeholders’ contributions are to the success of a change management process in any organisation.

2.6 Factors influencing Stakeholder Involvement in Change Management

Stakeholder involvement in change management is majorly influenced by the level of interest they have in the change initiative and level of power they hold. According to Murphy and Willmott (2010), business stakeholders with high power and high level of interest such as employees and shareholders need to be closely managed in relation to change initiatives. Murphy & Willmott (2010) further suggested that high level of power and low level of interest stakeholders, such as customers, on the other hand, need to be kept satisfied by the company management. Another stakeholder category that has low power but high level of interest, such as suppliers need to be informed about the progress of change initiatives through various communication channels. The type of stakeholders
that have low level of power and low interest in changes, such as the general public need to be monitored with minimum efforts and resources.

Freeman (1984), suggested use of a grid for mapping stakeholders to determine their involvement depending on the categories of power and interest, that is, claimant and influencer. One dimension of this model relates to the diversity of interests that attracts an external agent to the organisation and makes it a stakeholder. The other dimension relates to the power that some agents have to influence an organisations behaviour and performance. Freeman (1984) suggests three categories on the interest dimension, namely, equity, economic and influencer interest. On the power dimension, he (Freeman, 1984) suggests that there are external agents that have power over the organisation and defined them into three categories: formal, economic and political.

According to Cecilie (2008), for there to be a successful stakeholder involvement in change management process to a high extent, then five factors need to be addressed. They include; stakeholder early awareness of norms; awareness of diversity within and between different organisational units; manager availability; early role clarification; and constructive conflict.

Morris & Baddache (2012), identified factors that influence stakeholders’ involvement as; whether the stakeholders’ contribution is valuable to the firm. His counsel, information and expertise can be helpful to the company. Legitimacy; whether the stakeholder has a legitimate claim to involvement. Willingness to engage; whether the stakeholder is willing
to engage in the process or not. Influence; whether it has influence on the process. This goes hand in hand with wielding power. Lastly, necessity of involvement; is it necessary to involve the stakeholder in the process at all? Can the process be derailed or delegitimised if the stakeholder is not involved? According to them, these factors will determine whether the stakeholders should be involved in change process or not.

(Mitchel, 1997) as cited in Gomes (2006), proposed a model of selecting stakeholders of an organisation based on three dimensions: stakeholder’s power to influence the firm; the legitimacy of the stakeholders’ relationship with the firm; and the urgency of the stakeholder’s claim on the firm. According to (Mintzberg 1983) as cited in Gomes (2006), power is based on control of resources; control of technical skill; control of a body of knowledge; power from legal prerogative; and access to those who can rely on the previous source of power. (Mitchel, et al 1997) as cited in Gomes (2006) further argue that urgency in this context means time sensitivity and criticality.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter captures the methods used to collect data. It captures the research design used and explains why the type of design was appropriate, data collection methods and data analysis tools utilised.

3.2 Research Design

The study adopted a two-pronged approach; case study since the unit of analysis was KPA and the study was also a survey of the stakeholders of KPA. A case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit (Young, 1960, Kothari, 2004). A case study also places more emphasis on full contextual analysis of fewer elements and their interrelationships which relies on qualitative data (Cooper & Schindler, 2005). This study also adopted a survey research design to enable the researcher collect and analyse data from external stakeholders who are numerous. Purposive sampling was preferred by the study. This enabled the researcher to choose respondents who were easily accessible and had the information that she required for this study.

A case study design was preferred because it is used when a study wants to gather data from one study subject (Mugenda, 2003); in this case the unit of study being KPA. It offered a detailed investigation of the various variables in the study. It also gave a comprehensive understanding of the phenomenon under investigation. A case study was
preferred because the researcher needed to observe the processes going on and their interrelationships and analyse the responses she got.

### 3.3 Data Collection

Qualitative primary data was used in this study. The researcher collected primary data both from internal and external stakeholders. Within KPA, data was collected from management staff and internal stakeholders (staff). Managers interviewed were the General Manager (GM), corporate services; GM, Operations services; Head of Litigation and Disputes and Head of Human Resources. Data from KPA management was collected using an interview guide. Kenya Ports Authority staff were also interviewed to get their opinions regarding their involvement in the change management process. The researcher did this with the aid of an interview guide. Data from external sources was collected from prequalified suppliers, clearing agents, government agents, shipping lines and clearing and forwarding agents. The data from external stakeholders was collected with the aid of a semi-structured questionnaire.

The managers were interviewed to determine their role in stakeholder involvement in change management at KPA and to also establish their opinion on the extent of stakeholder involvement in the process. The stakeholders were interviewed to determine their involvement in the process and establish what opinion they have on the extent of their involvement. The interview schedule and questionnaires was administered to the respondents after they consented to be interviewed. After completion of administration of
the interview schedule, the researcher checked for completeness in the research instruments to ensure no part had been left out.

3.4 Data Analysis

The responses received from interviewees were qualitative in nature and they were analysed using content analysis. Content analysis refers to a set of procedures for collecting and organizing information in a standardized format that allows analysts to make inferences about the characteristics and meanings of written and other recorded material (Stemler, 2001). Simple formats can be developed for summarizing information or counting the frequency of statements. More complex formats can also be created for analysing trends or detecting subtle differences in the intensity of statements. It enables researchers to sift through large volumes of data with relative ease in a systematic fashion.

Content analysis was adopted for data analysis because of its ability to help examine trends and patterns in documents as well as its ability to provide an empirical basis for monitoring shifts in public opinions. Furthermore, other researchers who dealt with case studies like Muchelule (2010), Atonga (2010) and Mwikuyu (2009) analysed their data using the same tool and obtained credible results.

Data collected from external stakeholders using semi-structured questionnaires was analysed using both content analysis and descriptive analysis. In descriptive analysis, the researcher used simple averages, mean and mode to arrive at the findings of this study.
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the data analysis, findings and discusses these findings. The objectives of this study are to determine the extent of stakeholder involvement in change management in Kenya Ports Authority and to determine the factors that influence their involvement. The respondents for this study were KPA management and staff, prequalified suppliers, clearing agents, shipping lines and government agents.

The purpose of this study was to determine the extent of stakeholder involvement in change management in KPA and the factors that influence their involvement. The findings have been organised along the key themes of the study objectives.

4.2 Stakeholder Involvement in Change Management at KPA

This section will look into the data from the respondents that are related to the involvement of stakeholders in change management in KPA. This includes responses on the nature of changes adopted by the organisation, communication of the change management programme, involvement of stakeholders in its planning and implementation, satisfaction of stakeholders by the extent of their involvement in the change process, stakeholder’s level of control/influence of strategies and their reaction to the change process. The data collected from KPA management and internal and external stakeholders will be analysed.
The study sought to establish the major changes that KPA had undergone in the past 10 years and management responded by outlining the changes as having commenced with the introduction of the IT strategy. The IT strategy was a big project and this necessitated it being broken down to segments for easier implementation. Due to the nature of changes that were expected on the introduction of the project, structural changes in the organisation were also anticipated.

The study established that the organisation began by implementing an enterprise resource planning system known as SAP to automate its work processes in the entire port. This led to restructuring the organisations structure by forming new positions to accommodate new work processes and modifying existing ones to align them with the new changes. The move of realigning the organisation to adapt to new changes is in line with the organisation development theory that seeks to strategise the organisation for long term achievement of objectives. This was followed by KWATOS and then CBS that integrated other external users to KPA systems. Lately, the organisation has incorporated Biller direct and Supplier Relationship Management amongst other minor changes that have seen attitudes and simple processes change to improve work and satisfy the customer. According to the open systems theory, the organisation can achieve more if it works in synergy with the external and internal environment.

The researcher was also made aware of a more recent initiative called "Wajibika Project" that seeks to emphasise on staff being accountable in their course of duty and use of the balance scorecard for self assessment in order to improve productivity and accountability.
In response to the query on what role the stakeholders played in the change management process, the management informed the researcher that the stakeholders played different roles in the process. Internal stakeholders were involved in contributing ideas to the project during planning. This, one manager informed the study, was mainly done through proxy due to the large number of staff in the organisation. Other staff were trained to be trainers and therefore assisted in training more staff on the use of the new processes and equipment (the researcher noted that all staff who were involved in training were of junior management and middle management cadres). It was, however, evident that majority of the staff played the role of implementing the changes once they were made.

External stakeholders played the roles of contributing ideas for the new initiatives, upgrading their systems to incorporate the new changes, training to acquire skills required to work with the new system and implementing it from their end. The management informed the researcher that external stakeholders (clearing agents and shipping lines) are usually engaged in a weekly forum to discuss emerging matters and any issues they encounter in the course of their duties for all inclusive problem solving. Morris & Baddache (2012) had identified factors that influence stakeholders’ involvement as being whether the stakeholder's contribution is valuable to the firm, whether his information and expertise are helpful to the company, whether the stakeholder has legitimate claim for involvement, whether he is willing to be engaged and whether it is necessary at all for the stakeholder to be involved. Looking at the reasons above that stakeholders gave for their
involvement, it is evident that their involvement was due to one or more factors that have been mentioned by Morris and Baddache (2012).

The study sought to establish whether the management of KPA conducted stakeholder analysis and responses from the managers were varied. Most were not sure whether the organisation conducted stakeholder analysis but one manager confirmed that it was being done. Management has, however, not considered it as stakeholder analysis but they deal with their stakeholders on the basis of how much influence they have, how much power they wield and what interest they have in a project. A manager gave the example of how the ”Wajibika Project” has incorporated the trade union in ensuring its success due to the influence and power the trade union has over the staff. Management realised that the union could be utilised in steering the change process.

In response to whether communication of the change programme was made to stakeholders and stakeholders’ involvement in the planning and implementation phase of the programme, the study established that indeed the communication was made to all stakeholders using different modes of communication to ensure maximum reach. The management also concurred that they involved all stakeholders in the planning phase of the change process and implementation as well. This, however, was done depending on the role they had to play in the particular phase of the process.

Management informed the interviewer that the stakeholders were generally content with the changes that the organisation had gone through to improve service provision. This was
in response to the question about the stakeholders’ reaction to the changes. Most of the stakeholders were satisfied with the part they played in the process and that many were also satisfied with the manner in which the changes were carried out. The study also sought to establish the extent to which stakeholders were informed about policies and decisions and whether the stakeholders influence the strategies of the organisation. Management informed the interviewer that stakeholders are made aware of changes in policies and decisions immediately they are made.

On whether there is joint decision making with stakeholders, the interviewer was informed that this happened particularly with the trade union (on behalf of staff), clearing agents, shipping lines and government agents. The power that these parties have in the activities they are involved in make them invaluable and hence necessary in decision making. The interviewer was also informed that there are set forums where these decisions are made and given examples of divisional meetings, works committee meetings, stakeholders weekly meeting and collective bargaining forums. One manager went further to explain that the organisation has incorporated external stakeholders in a workshop in what they dubbed as “stakeholder think tank” for the organisation that serves to build new initiatives by tapping into the progressive ideas that the stakeholders contribute. This was done in May 2012 and subsequent workshops and meetings of the same nature have been occurring from time to time to tap into the stakeholders’ know-how.

Management admitted that stakeholder management is indeed a useful management tool and can assist the organisation achieve competitive advantage. Managers will be better
placed in handling stakeholders and this will lead to less conflict and increase productivity in the long term. Jones (1995) argues that firms whose managers are able to create and sustain mutually trusting and cooperative relationships with their stakeholders will achieve competitive advantage over firms whose managers cannot.

Staff from KPA were also interviewed to seek their opinion on different factors on the issue of stakeholder involvement in change management in the organisation. Staff indicated that a lot of changes had been adopted in the whole organisation. All staff agreed that execution of their duties is not done in the same manner it was done ten years ago. Most of the processes have been automated. There is less paperwork and processing of documents is faster. This has made the work load easier on most of the employees. Some positions like messengerial and typing duties have been rendered obsolete in most departments. All staff agreed that they received communication regarding the impending changes and all attended sensitisation workshops on the same. They also admitted that they were prepared for the changes through the sensitisation workshops and training on relevant skills to engage in their new jobs.

On whether they participated in the planning and implementation of the change process, they told the interviewer that they were not involved in planning but were involved in the implementation mainly as users of the new system and processes. The study sought to determine whether they thought that the role they played was important in the change process, they all responded in the affirmative citing that if they were not present to implement them, the changes would not occur.
External stakeholder were asked to list changes they have noted in the organisation since the change management initiative started and they indicated the following changes; in the area of operations, increased efficiency in terms of processing of documents, increased accuracy, less paperwork, streamlined communication and a great reduction in physical movement on the part of clearing agents. Suppliers indicated they had noted a change to e-procurement that has resulted in faster payments in the case of suppliers. They cited increased transparency in the operations of KPA and better customer service compared to the past. The Kenya Police noted fewer complaints against the organisation where it is blamed or implicated.

About half of the respondents contradicted management on the issue of involvement in planning phase though all admitted that they were involved in one way or another in the implementation of the changes. Out of the half that admitted they were involved in planning, majority admitted that their contributions/suggestions were incorporated in the changes and that they were satisfied with the role they played in the process. It also emerged that more of suppliers, clearing agents and shipping lines were involved than any other stakeholders in the planning phase. Many respondents were of the opinion that their participation was of importance to KPA and they should have been involved them from the beginning of the process.

Paradoxically, many were of the opinion that the organisation would have been successful without their involvement despite their feeling that their role was of importance. It is
noted here that different stakeholders were involved at different phases of the change management process and at different extents depending on the roles they play, their interest in the initiative, the power they have over the process and the extent to which they seek to be involved. According to McLarney (2002), there is no straightforward and controversial algorithm for determining the nature and extent of obligations to various stakeholders. He however, argues that the point here is not to settle upon a canonical rank ordering of the organisation’s obligations to multi-stakeholders, but rather to accurately situate the organisation as ensnared in a range of ethnically significant relationships and to begin the complex task of meeting the demands of those various relations.

4.3 Factors Influencing Level of Stakeholder Involvement in Change Management at KPA

The study sought to determine the factors that influence the level of involvement of the stakeholders in the change management process at KPA. Stakeholders that an organisation deals directly with (primary stakeholders) are influenced or influence the organisation (Yilmaz & Gunel, 2008). Their involvement in the organisation's change process is therefore very necessary and of great importance. There is therefore need to involve them in the undertakings of the organisation. Stakeholders' participation in any organisation's process is determined by the interest and/or influence a stakeholder may have in a project (Ad-esse Consulting, 2008).

According to KPA management, clearing agents represent the customers of the organisation and as such their involvement in the process was very important considering
that an organisation cannot survive without its clients. Other stakeholders like government agents have to work hand in hand with KPA for it to be able to execute its obligations to its clients; they also bring on board professional contributions for inclusion in the changes. They therefore serve as advisors to the organisation in their respective areas of expertise. Their participation is also required by the law and this makes them integral in the change management process.

It is evidenced from the data collected that KPA has indeed been involving its stakeholders in most of its change initiatives. However, it is important to establish the factors that influence the involvement of these stakeholders. The management of KPA unanimously agreed that the organisations' stakeholders are very important. Their involvement in the organisation's activities is of importance and this was determined by the role they played in the initiatives. One of the manager's responding to the interviewers query on whether stakeholders are involved in planning the change initiatives referred the researcher to the most current KPA change initiative "Wajibika Project". He said, "The union can contribute to the success of the project because they can rally their members behind it and that is why it is being utilised". This inclusion of the trade union, he told the interviewer, has led to a tremendous decrease in apathy and resistance from staff. The trade union has been able to rally its members behind this course and it was beginning to look successful. This clearly indicates the power and influence the trade union has on the organisations staff and therefore the power they have on the organisations decisions since the staff are an integral part of the organisation.
Another member of the management staff cited the specific roles the stakeholders play in the success of the organisation. Management also cited inclusion of stakeholders as being mandatory especially now that the government is taking an initiative of partnering with private organisations to improve competitiveness in businesses by injecting the expertise in private business into the public organisation. Public private partnerships in Kenya is a new initiative that seeks to involve both private and public organisations in improving service delivery in the country. It has therefore become mandatory for organisations to involve stakeholders in their undertakings in order to fulfil this new policy by government.

The researcher sought to determine the factors that influenced the extent of the stakeholder’s involvement in the change process by asking the stakeholders why they thought it was important for them to be included in the change process. Some responded that they were involved because of the role they played, others responded that they were long business partners and this move was to create good business relationship, some felt that it was done for them to own the process and accept it, others said that it was done so that they could understand the process and be part of it, others felt that it was done so that they could adopt the process, another respondent felt that they were involved because they offer unique services that were not captured in the planning phase and therefore KPA had realised that their contribution was important and necessary. Another respondent felt that their involvement was due to the fact that the process had a tremendous effect on their maritime and shipping operations. One respondent felt that they were involved to avoid undue conflict and suspicion while another one said that it was because his organisation
was a major stakeholder in clearance of imported products in terms of quality. Yet other stakeholders felt that they were involved in order to highlight the major areas of concern.

The data clearly shows that the stakeholders are involved depending on how important the role they play is to the success of the organisation. The data also shows that suppliers were involved more during the planning stage than any other stakeholders. This confirms what the management informed the researcher that the organisation had learned from past mistakes and it is now involving stakeholders more in planning. The Supplier Relation Management (SRM) ERP is the most recent acquisition of the organisation in terms of automation of procurement services.

4.4 Discussion

Stakeholders are important to any organisation's success. They stand to gain or lose depending on how the organisation performs and are therefore concerned with what happens to the organisation. Due to this factor, they should be involved in decisions that affect the organisation.

The study shows that less than half of the total external stakeholders were involved in planning phase of the process while nearly all of them were involved in the implementation phase. The study also shows that of all the staff (operatives) interviewed, none was directly involved in the planning phase of the change process. They were however, informed of the changes and they participated in implementation according to the requirements of their jobs. The staff informed the researcher that some of the other staff in management (junior and middle management) were involved in the planning phase. This
was done through membership of committees to steer the change process. These results of the study go against the stakeholder theory that advocates for inclusion of all stakeholders from the beginning of the process. The study however, established that due to the large number of staff in the organisation, management were not able to involve each staff directly but it was done through representation or what the management termed 'done by proxy'. As explained earlier in the study, staff were represented by trade union, heads of sections and heads of departments. According to Freeman (1984), stakeholders should be involved from the early stages of any initiative in the organisation. This increases the chances of success of the programme and brings about ownership which is very vital for any successful initiative.

On the issue of factors that influence the involvement of stakeholders in the change management process, the study established that there were a number of factors that management considered as captured in the findings above. Those factors relate to whether the stakeholder has information that is crucial for the success of the project, whether the stakeholder can influence the success of failure of the project either by participating or refusing to do so or by influencing other stakeholders either way. Another factor that was considered was the role that the stakeholder plays legally in terms of their participation in the implementation as required by the law. All these factors are in line with the stakeholder management theory that advocates for inclusion of stakeholders depending on their power, influence and also interest in the project (Ad-esse, 2008).

The study also established that the organisation utilised all the means of communication to ensure that the message was received by all the concerned parties. According to Freeman
(1984), use of a communication medium that is relevant to the situation at hand or the stakeholders that are being targeted is important in the dissemination of information.

This study further established that the changes that the organisation went through led to a change in the structure of the organisation leading to change in the jobs being performed and how they were executed. This is an aspect of organisational development. Staff were trained to continue discharging their duties as required in the new structure. Incremental changes have been noted and more training is done whenever there is need to develop the staff to take up these new responsibilities.

According to Burns (2004), on the issue of strategic change management and stakeholder involvement in the process, an open and two-way communication must occur early and often, expectations be clearly set and everyone involved must be aware of the change and why it is being done, who is impacted and how, what the roles and responsibilities are. The message must continually be reinforced throughout the organisation by the multiple levels of management. Feedback must consistently be sought and acted upon. Measurable desired results must be spelled out at each level of the organisation to include repercussions for not achieving the results. Progress must be reported, and those involved must be held accountable for the results.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also gives the conclusion and recommendations of the study based on objectives of the study. The conclusions and recommendations drawn are in a quest of addressing the research question or arriving at the research objectives which were to determine the extent of stakeholder involvement in change management at KPA and to determine the factors that influence this involvement.

5.2 Summary of Findings

Kenya Ports Authority initiated a change management process in the year 2000 that was necessitated by the competition in the environment and need to embrace technology in order to remain relevant in the current business situation. The core of the changes was the IT strategy and it was implemented in phases for easier adoption. The study has established that the changes touched different sectors of the Port and hence all stakeholders of the organisation were affected one way or another. It is also noted that the changes were meant to improve service delivery and the objective has so far been achieved up to the level it has reached.

The study established that the KPA’s stakeholders are indeed aware of the changes that have occurred and this change process was communicated to them through different media
at every level of inception. It is however, noted that not every stakeholder was involved in the planning phase of the changes. According to the findings of this study, internal stakeholders (being non-management KPA staff) were not involved in the planning phase of the change management process. However, the management sought to clarify this and informed the researcher that the staff were mainly involved through proxy. They were represented by their heads of departments/sections who usually seek their opinions and contributions before going for the meetings. The trade union was also instrumental in representing the needs, views and contributions of the staff.

The study also established that the number of external stakeholders involved in planning of the change initiative were not enough. It is more alarming as less government agents were involved during the planning phase as they are deemed to be major stakeholders in the parastatal due to the functional interrelationship. Their complete involvement in the process was necessary due to the fact that they have to work hand in hand with KPA for services to be delivered to customer. Comparatively, the number of clearing agents and shipping lines that were involved in the planning phase was more than that of government agents. This might indicate the importance that the organisation places on these organisations compared to government agents. It could also be an indicator of the factors that influence the involvement of stakeholders in KPA as being power, influence and interest.
5.3 Conclusion

This research study has revealed a number of issues regarding stakeholder involvement in change management especially in the aspect of multiple stakeholders with diverse interests. The overall results and findings indicate that stakeholder analysis is done in KPA to an extent, more so lately than it was in the past however, a formal process of doing it has not been established. More recent projects have seen the stakeholders who are directly affected participate in the planning as well as implementation stages. The study also revealed that some divisions like Corporate services, Human Resources and Administration, Operations Services and Finance have involved stakeholders to a larger extent than the others. Mwikuyu (2009), in his study on The Extent of Stakeholder Involvement in Strategy Formulation and Implementation in the National Social Security Fund also discovered that not all of NSSF’s departments had wholly embraced the concept of stakeholder involvement in their initiatives. This study has also established that the organisation needs to do more in terms of embracing stakeholder management as a tool for competitive advantage. A more organised initiative in stakeholder management can yield better results in terms of coming up with policies and strategies that are acceptable by many stakeholders.

It is evident from the study that the management considers a number of factors when they decide on the stakeholders to involve. The reasons that are given for involvement of stakeholders in the initiatives comprise the factors that influence their involvement and these are primarily the power, interest and influence the stakeholder have and whether their
involvement will increase chances of success of the project or their non-involvement will derail the project in any way. Another factor that is put into consideration is whether the stakeholders will be users or implementers of the new project. It is also done to avoid undue conflicts and suspicions on the part of stakeholders.

The study, however, noted that government agents who by virtue of the responsibility and importance of the duties they perform during the process of clearing and forwarding of cargo have not played a big part in planning of the changes. The study established that only one government agent out of those that responded was involved in the planning phase and this is not in accordance with the stakeholder theory since the power the government agents have over the work process is legal in nature and therefore their contributions should have been factored in the process since they are vital.

The study also established that all stakeholders were involved in implementation of the change management initiative. Those who were not involved in the planning phase of the process felt short changed since the changes were imposed on them. This finding supports the stakeholders theory that advocates for inclusion of all stakeholders at all levels to bring about ownership of the project. It is however, noted that those who felt this way were few on the part of external stakeholders (clearing agents, shipping lines and suppliers). Majority of the internal stakeholders though not involved directly in planning felt that most of their grievances were handled well. The study attributed this level of satisfaction from staff from the constant and timely communication of the project and the sensitisation programmes that the management of the organisation carried out.
5.4 Recommendations for Policy and Practice

These findings imply that KPA is faced with numerous challenges that arise from stakeholder management issues being that it has to deal with a large number of stakeholders both internally and externally. The organisation needs to fully embrace stakeholder management concept in all its departments in order to keep pace with the changes in the environment. At the same time, the organisation needs to ensure it does a comprehensive stakeholder analysis on all its stakeholders especially externally to ensure that it knows its stakeholders well and therefore begin to manage them better.

Formal modalities of engaging all stakeholders in their respective levels need to be put in place in the organisation's policy to ensure that future initiatives are charted in the right way for success of the organisation. All stakeholders should also be made aware of their rights and obligations when it comes to their involvement in the organisation's initiatives.

5.5 Limitations of the Study

The researcher had a number of challenges when conducting this study. Firstly, it was on the issue of concept. This study was limited to stakeholder's involvement in change management. The study therefore looked at issues that are affecting stakeholders’ involvement in the area of change management only.
Secondly, the study also met contextual challenges since it was confined to KPA. The researcher could not include other organisations to establish how stakeholder management is conducted and what the outcome of stakeholder involvement is to the organisations.

Thirdly, the study had methodological constraints since the researcher met a number of challenges while conducting it. It was not possible for her to interview all the heads of divisions/departments. The researcher was most of the time being asked to come back later or referred to deputies or other junior managers whose input she felt was not what she was seeking. The duration that the study was to be conducted in was limited hence exhaustive and extremely comprehensive research could not be carried out on stakeholder involvement in change management. Due to time and financial limitations, the study could not be carried out on the entire KPA and all its stakeholders. The study however, carried out a study across all departments in KPA and across all the categories of suppliers that are prequalified by KPA. It also covered a representative lot of clearing agents and shipping lines.

5.6 Suggestions for Further Research

The study recommends further research should be done of the same nature in KPA to determine whether it has fully embraced the concept of stakeholder management for competitive advantage.

More research of this nature needs to be done on more organisations in the public sector to determine how they are managing stakeholders in their organisations as the stakeholder management concept is emerging in the Public Private Partnerships that the government is
advocating for; this makes it vital for public organisations especially those that provide services for free to be involved in stakeholder management.
REFERENCES


APPENDIX I: Introduction Letter

September 16, 2013

The Head of Human Resources,
Kenya Ports Authority,
P.O. Box 95009 - 80104
MOMBASA

Dear Sir,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT
I am a student at the University of Nairobi, Kisumu campus pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project on Stakeholder Involvement in Change Management at Kenya Ports Authority. It is a case study and it will involve use of interview guides administered to members of the management team and other staff.

I kindly seek your authority to conduct the research at Kenya Ports Authority through interview guides and use of relevant documents. I have enclosed an introductory letter from the University.

Your assistance will be appreciated. Thank you in advance.

Yours faithfully,

Mary N. Wanyama
APPENDIX II: Introduction Letter from the University

TO WHOM IT MAY CONCERN

The bearer of this letter Mrs. Mary Nabwire Wanyama

REGISTRATION NO: D61/73707/2012

The above named student is in the Master of Business Administration program. As part of requirements for the course, she is expected to carry study on “Stakeholder involvement in change management at Kenya Authority”

She has identified your organization for that purpose. This is to kindly request assistance to enable her complete the study.

The exercise is strictly for academic purposes and a copy of the final paper availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. ALEX JALEHA
COORDINATOR, SOB, KISUMU CAMPUS

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APPENDIX III: Interview Guide for KPA Management Staff

STAKEHOLDER INVOLVEMENT IN CHANGE MANAGEMENT AT KPA

1. What organisational division do you head?
2. What does your job entail?
3. Kindly explain major changes that your organization has experienced in the last 10 years and how were the changes managed?
4. What role did the stakeholders play in the change management process?
5. Do you conduct stakeholder analysis to determine the influence/power of a stakeholder in change management process?
6. Kindly explain the factors that influence the extent to which the stakeholders were involved in managing the change process?
7. How was the change programme communicated to the stakeholders?
8. Did you involve stakeholders in the planning phase of the changes?
9. Did you involve stakeholders in the implementation phase of the changes?
10. What was the stakeholders’ reaction to the change process?
11. Do you think that they were adequately involved in the process?
12. Do you think the stakeholders were satisfied with the way the change process was carried out?
13. To what extent are stakeholders informed about policies and decisions that have been made?
14. To what extent do stakeholders control/influence the strategies in the organisation?
15. Do you have joint decision making with stakeholders? If yes, what kind of decisions are these?
16. Are there set forums for discussing issues affecting performance in the organisation with stakeholders? If so, how often do these meeting occur?
17. Explain the participation/roles of each stakeholder in the change management process.
18. Kindly explain if this participation supported by the organisation's policy?
19. Do you think that stakeholder management could be a useful management tool for KPA in gaining competitive advantage?

THANK YOU!!!
APPENDIX III: Structured Questionnaire for External Stakeholders

STAKEHOLDER INVOLVEMENT IN CHANGE MANAGEMENT AT KPA

PART A: GENERAL INFORMATION

1. What is the name of the organisation you work for?
   ______________________________________________________________

2. What is the nature of business between your organisation and KPA?
   ______________________________________________________________

PART B: COMMUNICATION OF INFORMATION

1. Are you aware of the change management process at KPA? Yes ☐ No ☐

2. Was the change process communicated to you during the planning phase? Yes ☐ No ☐

3. How was the communication done?
   Written ☐ Telephone ☐ Verbal ☐ Mass media ☐

PART C: STAKEHOLDER INVOLVEMENT

4. Were you involved in the planning phase of the change? Yes ☐ No ☐

5. Were your contributions/suggestions to the change process adopted? Yes ☐ No ☐

6. Was your work affected by the change management process? Yes ☐ No ☐

7. What changes did you note and how have they affected your performance?
   ______________________________________________________________

8. Do you feel that the part you played was adequate? Yes ☐ No ☐

9. Were you involved in the implementation phase of the change management process?
   Yes ☐ No ☐
10. If yes, what was your involvement? _________________________________________

11. Do you think your participation in the process was of importance? Yes  □  No □

12. Why was it important for you to be included in the change process?
___________________________________________________________________________

13. Would your lack of participation have hindered the process in any way?
___________________________________________________________________________

14. Do you feel your input was important to KPA? Yes  □  No □

15. Was your input factored in the change process? Yes □  No □

16. Are you satisfied with the part you played during the change management process at KPA? Yes □  No □

17. According to your opinion, what should KPA have done differently with regard to stakeholder management? ________________________________

18. What recommendations will you give KPA for future change programs with regard to stakeholder participation? ________________________________

19. On a scale of 1 to 5 how would you gauge your overall involvement in the change management process in KPA?

   1 □  2 □  3 □  4 □  5 □

THANK YOU!!!
APPENDIX VI: Interview Guide for Internal Stakeholders - KPA staff

STAKEHOLDER INVOLVEMENT IN CHANGE MANAGEMENT AT KPA

1. Which division do you work under?

2. What is your position and nature of job?

3. Are you aware of changes that have been implemented in KPA over the last 10 years?

4. How were the changes communicated to you?

5. How were you prepared for the changes that occurred?

6. Did you participate in the planning phase of the changes in any way?

7. Was your role instrumental in steering the change process?

8. Do you think the change process would have been successful without your participation?

9. Were other colleagues in your section/department instrumental in the change process?

10. What role did they play?

11. Did you participate in the implementation phase of the change process?

12. What role did you play? Are you still playing this role?

13. Is your part in the process important such that if you did not carry it out the change process would be derailed?

THANK YOU!!!