FACTORS AFFECTING THE IMPLEMENTATION OF STRATEGIC CHANGE IN DEFINED BENEFITS PENSION SCHEME: THE CASE OF LOCAL AUTHORITIES PENSION TRUST.

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DECLARATION

I declare that this project is my original work and has not been submitted for a degree in any other university other than Kenyatta University for academic purposes.

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DEDICATION
I would like to dedicate this project to my friends and colleagues whose encouragement and understanding during the period of study made the task become lighter.
I cannot also forget my parents, Michael Chumo and Kezia Jeptanui who realized the value of education and spared no effort to ensure that I realized my educational dreams to the fullest extent possible.
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In the course of undertaking the MBA program, I have benefited immensely from the support and inputs of diverse groups, individuals and organizations. It may not therefore be possible to mention all of them individually. However, I am greatly indebted and grateful for their contributions one way or another. I also wish to acknowledge the contributions of my Supervisors Mr. Isaac Mungai and Madam Anne Muchemi whose keenness to detail and critique helped in refining the thesis document. I wish to also acknowledge my employer, Local Authorities Pension Trust (LAPTRUST) for granting me leave during the examination periods. Last but not least, I am grateful to the almighty God for the sufficiency of his grace.
ABSTRACT
Local Authorities Pension Trust, like any other organization whether in public or private organization is directly or indirectly affected by the changes taking place in the environment in which they operate. It therefore becomes apparent for organizations to prepare themselves by formulating and implementing strategic change that will enable them to exploit the opportunities and keep threats at bay.

Strategic change implementation is now a bell weather event hence is a routine management issue that requires concentration for its benefits to be realized. Laptrust has undergone substantial metamorphosis and has lived to see the challenges so much so that during the period of liberalization in the late 1990’s through early 2000 in Kenya saw it readjust its operational activities in the quest of establishing a viable fit in the retirement benefits industry. There were challenges such as cut throat competition, high customer expectations, inflation and in the late 2002, the birth of regulator Retirement Benefits Authority which came with stringent rules regarding investment portfolios by the players in the industry.

The study therefore seeks to establish factors affecting implementation of the strategic change in defined benefits pension scheme in Laptrust. The study adopted a case study research design so as to provide for in-depth and comprehensive inquiry of the phenomenon. The population of study included the senior managers, middle-level managers, functional-level managers and junior employees of Laptrust who are involved in implementation of strategic change. Samples were drawn from the population through stratified random sampling. Primary data was collected using questionnaires that will be administered through ‘drop and pick later’ method. Before analysis, the data collected was checked for completeness and consistency. Data collected was then analyzed through content analysis and descriptive statistics. The results are presented in form of tables, means and standard deviations. The SPSS statistical computer package was used in the analysis. The results of the study are discussed in chapter four and five. Lastly, conclusions drawn from the findings and recommendations from the study are presented.
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LIST OF ABBREVIATIONS

CEO      Chief Executive Officer
NSSF     National Social Security Fund
LAP TRUST Local Authorities Pension Trust
RBA      Retirement Benefits Authority
KLGOSF   Kenya Local Government Officers Superannuation Fund
ICT      Information, Communication and Technology
SWOT     Strengths, Weaknesses, Opportunities and Threats.
ILO      International Labour Organization
SACCO    Savings and Credit Co-operative
SPSS     Statistical Package for Social Sciences
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Does the organizational structure also affect the implementation of the strategic change?

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CHAPTER ONE
INTRODUCTION

1.1.1 Background of the Study

Today change is constant and organizational leaders who anticipate change and react rapidly and responsibly are successful. However, the organizational leaders who anticipate and invent the future are even more successful because those who invent the game are the leaders in their industry. Other organizations are followers that adapt to change while others are the organizations that do not survive (Romanelli and Tushman, 1994).

In the last decades, there has been an acceleration of the magnitude and pace of change across the globe. These changes, be they political, economic, social and or technological have not spared Kenya. Organizations have reacted in a variety of ways including strategy re-formulation to ensure their continued relevance (Mbogo, 2003). Galbraith (1967) alludes that there is nothing so compelling as the need to survive. However, there is little doubt as to how, overwhelmingly, this choice is exercised, and it is to achieve the greatest possible rate of growth as measured in sales.

There are a number of ways in which change can be categorized most are related to the extent of the change and whether it is seen as organic (often characterized as bottom-up) or driven (top-down). Ackerman (1997) has distinguished between three types of change: developmental, transitional and transformational. Developmental change may be either planned or emergent; it is first order, or incremental. It is change that enhances or corrects existing aspects of an organization, often focusing on the improvement of a skill or process.

Transitional change seeks to achieve a known desired state that is different from the existing one. It is episodic, planned and second order, or radical. The model of transitional change is the basis of much of the organizational change Kanter, (1983) and Nadler & Tushman, (1989) It has its foundations in the work of Lewin, (1951) who conceptualized change as a three-stage process involving: unfreezing the existing organizational equilibrium, moving to a new position and refreezing in a new equilibrium position.
Schein, (1987) further explored these three stages. He suggested that unfreezing involves; disconfirmation of expectations, creation of guilt or anxiety and provision of psychological safety that converts anxiety into motivation to change. Moving to a new position is achieved through cognitive restructuring, often through; identifying with a new role model or mentor and scanning the environment for new relevant information. Refreezing occurs when the new point of view is integrated into the total personality and concept of self and significant relationships.

Transformational change is radical or second order in nature. It requires a shift in assumptions made by the organization and its members. Transformation can result in an organization that differs significantly in terms of structure, processes, culture and strategy. It may, therefore, result in the creation of an organization that operates in developmental mode one that continuously learns, adapts and improves.

The Organization's formal change process involves clarifying the mission, vision, and reasons for change by ensuring that at least the leaders all agree on the destination and the reasons for the journey. Establish the roles, responsibilities, and structure to support change by educating the leaders on their responsibilities during change, establish a forum for planning and supporting the process, and agree on the overall process. Develop the required leadership team capability to help the leadership team to develop the cohesiveness and skills required to support the process. The organization should facilitate and support the process as required by assessing the current situation whereby they conduct an objective, factual appraisal of the status quo including all aspects relevant to achievement of the vision. Determine the key strategies for achieving the change and once the assessment has been completed and the findings accepted, it is easy to agree on priorities for action.

There are many models that can be used for successful organizational change. Winners respond to the pace and complexity of change while losers try to control and master change in the environment. It is important for organizational leaders to identify and use a model for transformation that will help their organizations survive and flourish in the next century and beyond. Surviving, growing, and thriving institutionally in today's rapidly changing, always challenging, and frequently threatening world environment
depends heavily on developing the capacity to produce change rationally and systematically. Rational change is explicitly aimed at addressing the highest-priority issues (both opportunities and challenges) facing you or your organization (Jay M & Doug E, 2001).

In the context of business the environment refers to the sum of internal and external forces operating on an organization. The managers must perforce recognize the elements, severity and impact of these forces on the organization. They must identify, evaluate and react to the forces triggered by the external environment. More often than not, these forces are beyond the control of an organization and its managers. Accordingly, the factors of the environment will need to be considered as inputs in the planning and forecasting models developed by an organization (George and Jones, 2002).

1.1.2 Strategic Change

Strategic change is defined as “changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy” (Hofer and Schendel, 1978). Considering the definition of strategic change, strategic change could be affected by the states of firms and their external environments. Because the performance of firms might be dependent on the fit between firms and their external environments, the appearances of novel opportunities and threats in the external environments, in other words, the change of external environments, require firms to adapt to the external environments again; as a result, firms would change their strategy in response to the environmental changes. The states of firms will also affect the occurrence of strategic change. For example, firms 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).

Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999b). It is thus not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. The best-
formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented, as Noble (1999b) notes. Results from several surveys have confirmed this view: An Economist survey found that a discouraging 57 percent of firms were unsuccessful at executing strategic initiatives over the past three years, according to a survey of 276 senior operating executives in 2004 (Allio, 2005).

1.1.3 Local Authorities Pension Trust (LAP Trust)

Lap Trust was initiated by the colonialist in the early 1960’s trading under the name Kenya Local Government Officers Superannuation fund (KLGOSF). It was meant for the Europeans and Asians and not for Africans. Later after independence, Kenyans were allowed to be contributors of the scheme but only the senior employees of the Local Authorities. The trust operates a Defined Benefit Scheme and more particularly a contributory scheme. Owing to cut throat competition in the past few years, KLGOSF saw the need to increase its capital base and investments by opening up their membership to all local authorities employees regardless of status.

The sponsors are all local authorities such as city councils, municipal councils, county councils, town councils, water companies and related organizations all adding up to approximately two hundred and eighteen (218), organizations with closer to 40,000 members contributing to LAPTRUST (Laptrust 2004-2009 strategic plan). The rates of contributions have graduated from period to period as follows; between inception upto 30th June 1985, employee’s was 7.5% and employer’s 9.5% of the basic salary. From 1st July 1985 upto 31st December 2001, the rates changed to 9% and 12% simultaneously still on the basic salary. However, from January 2002 to date following the implementation of collective bargaining agreement of July 2002, contributions were pegged on both basic salary and house allowance at the rates of 12% on employee’s and 15% on employer’s (Trust Manual 2005, Legal Notice 50, 2006).

As a strategic move, the trust re-launched its name in December 2005 and changed it from the very long KLGOSF i.e. Kenya Local Government Officers Superannuation Fund to LAPTRUST. It also adopted their customer care charter as part of implementation of the strategic plan 2004-2009 through rigorous training of staff. The Trust launched its Logo in 2006 for the first time since inception which is a gesture of strategic change. There was no logo earlier instead was an oval headed letter head with
the words Kenya Local Government Officers superannuation fund with its postal addresses and telephone numbers.

1.2 Statement of the Problem

An organization operates within the larger framework of the external environment that shapes opportunities and poses threats to the organization. The external environment is a set of complex, rapidly changing and significant interacting institutions and forces that affect the organization's strengths and weaknesses. External forces are not controlled by an organization, but they may be influenced by that organization. It is necessary for organizations to understand the environmental conditions that affect them because they interact with strategy decisions. The external environment has a major impact on the determination of marketing decisions as well as other major decisions. Successful organizations scan their external environment so that they can respond profitably to unmet needs and trends in the targeted markets (Cummings and Worley, 2005).

The biggest factor in implementing strategic change would have to be its execution because this is the true measure of successfully implementing the strategic change. It therefore has to be built into a company's strategy, goals and even culture. Implementation should be addressed when the advantages and disadvantages of strategic alternatives are analysed. Katsioloudes (2006) argued that formulating strategies without some serious thoughts toward implementation seems a serious waste of the strategists' time. It has been said, quite correctly, that a strategy is really nothing but a fantasy without successful implementation. It has been found out that poor implementation can cause appropriate strategies to fail, yet excellent implementation can rescue an inappropriate strategy.

However, since the Kenyan people initiated to take over this organization, the implementation of the strategic change has been faced with several operational and policy challenges and setbacks. Strategic change implementation is a fundamental issue that the Laptrust Board has to address in order to achieve its vision and mission and move towards the desired future.

Laptrust was initially headed by a Treasurer up to the year 2000. However, new strategic thinking took place and it was decided that the trust should be headed by a General
Manager. In 2006, a major paradigm shift occurred bringing about a new designation: Managing Trustee; that was more in line with the current organizational objectives. Owing to competition from other pension schemes, the trust has increased its staff capacity by over forty percent during the change process more especially in marketing, corporate affairs, property, ICT and debt recovery departments.

The change process was administered through change agents and training consultants for a period of three months. Functional units such as benefits, accounts, audit, marketing and debt recovery were initially headed by a treasurer but each unit has been allocated a manager after the change induction and implementation process. The change process met a lot of internal resistance more especially from old employees who had gotten used to the old way of doing things hence perceived the change as a way of weeding them out of the organization. Resistance was characterized by internal politics, direct confrontation, tribal teams and gutter press publications among other vices.

However, the management treated the problem with a lot of diligence through: leading by example. Hiring of visionary managers, provision of incentives to the unsatisfied group, salary increments commensurate to the difficult tasks necessitated by change, threats to those who persistently resist change. As part of change implementation all the departments have been fully computerized with the most current software and hardware to enhance efficiency in service delivery. Performance contracting has also been adopted in the recent past as a way of improving service delivery and also cutting on costs in labor force.

In their study, Aaltonen and Ikävalko (2002) noted that implementing strategies successfully is vital for any organization, either public or private. Without proper implementation, even the most superior strategy is useless. The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing would thus be perceived as being about allocating resources and changing organizational structure. However, transforming strategies into action is a far more complex and difficult task. Aosa (1992), states that strategy is creating a fit between the external characteristics and the internal conditions of an organization to solve a strategic problem. The strategic problem is the mismatch between the internal characteristics of an organization and its external environment. The matching
is achieved through development of organization’s core capabilities that are correlated to external environment well enough to enable the exploitation of opportunities existing in the internal environment and to minimize the impact of threats from external environment. The strategy of an organization must continuously and actively adapt the organizations to meet the demands of an ever-changing environment.

In order for the strategy to achieve the re-defined purpose and implement the institutional values to ensure that the restructured LAPTrust survives, grows and thrives it will need to have in place a proper institutional and management structure [organization, systems and people] that functions to maintain and protect its corporate assets, integrity and reputation.

1.3 General Objectives of the study
The general objective of the study was to establish the factors that have influenced the implementation of strategic change in Defined Benefits Pension Scheme.

1.3.1 Specific Objectives of the study
i) To establish if the leadership of the organization is likely to be an affecting factor in the implementation of strategic change.
ii) To establish if the organizational structure is one of the factors affecting the implementation of strategic change.
iii) To establish if organizational culture is another factor affecting the implementation of strategic change.

1.4 Research Questions
i) Does leadership of the organization pose as a factor affecting the implementation of strategic change?
ii) Does the organizational structure also affect the implementation of the strategic change?
iii) Does culture of the organization pose as another factor in the implementation of strategic change?

1.5 Significance of the study
This study will be significant to a number of stakeholders;
1.5.1 Trustees
The study is significant to the Board of trustees because it reveals the factors that hamper effective implementation of its strategies. Therefore, the study provides the basis for the management to be alert and well prepared to counter the identified factors.

1.5.2 RBA and other Pension schemes
This study provides useful information to regulatory bodies specifically Retirement Benefits Authority which will be important for them to develop useful strategies for enhancing Pension Benefits Schemes in overcoming factors affecting implementation of strategic change.

To other Pension schemes and state corporations, the study findings have provided the relevant information necessary in formulating corporate governance policies and creating conducive regulatory framework in overcoming such factors when implementing their strategic change for better governance of occupational benefits schemes.

1.5.3 Fund managers
The study is significant to top policy makers in other organizations. The results of the study provide them with knowledge on the fundamental importance of strategic management process to the survival and success of firms. Therefore, the policy makers will be aware of the factors that can hamper achievement of their organizational goals and objectives in the midst of the turbulent environment where competition is inevitable.

1.5.4 Researchers and Academicians
To the researchers and Academicians the findings of the study has contributed to the existing body of knowledge in the field of strategic management. This research study has also provided an understanding of the factors that state/private corporations go through when implementing their strategic change. This will enable state corporation managers' plan in advance on how to handle those challenges at strategy implementation phase.

1.6 Limitations of the study
This study had a number of limitations;

1.6.1 Time
One of the limitations to this research study was time since the researcher is an employee who works on full time basis hence little time to always go look for data to be collected
and analyze. Therefore in order to overcome this, the researcher had to ask for permission to go on leave to be able to conduct the research.

1.6.2 Resources
Again, the resources necessary for collecting the data required was scarce since the machine like computers were not always available to enhance data compilation all the time, and also access to the Libraries was limited. Moreover, the research was self sponsored and this compounded the problem further. The researcher borrowed materials from friends and also took a short loan to finance the research work.

1.6.3 Biased Respondents
Further some of the respondents were unwilling to responds objectively to some of the questions. This may perhaps be due to the sensitivity of the nature of information required, ethical reasons or personal prejudices. Such biased responses could have adversely affected the findings of the study. The researcher made sure the questionnaire consisted of general questions that do not infringe the freedom of the respondent.

1.7 Scope of the study
The study covered an investigation of the factors that are experienced by Defined Benefits Pension Schemes in Kenya with specific focus on Local Authorities Pension Trust when implementing the strategic change. Laptrust has both internal and external stakeholders. The internal stakeholders consist of the senior management team, middle-level managers and the functional-level managers. The top level-managers are more concerned with strategy formulation, whereas as the middle level and functional-level managers are involved in strategy implementation. Therefore, this study delimited itself to senior level, middle-level and functional level managers, and junior employees working under them. The sample population 78 was drawn from employees/staff of Local Authorities Pension Trust.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter focuses on the review of implementation of strategic change through presentation of literature on the concepts of strategy, strategic change management, theoretical foundations of change management, models of strategic change, organizational culture and change management, implementation of strategy and factors that influence implementation of change management practices.

Strategy is explained as the link between an organization and its environment and explains the need for all organizations, be they private or public to develop and manage strategy in order to fit in the changing environment (Nyororo 2005). Owing to the difficulties experienced in implementation of strategic change management, various scholars have proposed change management approaches and models which are yet to be presented in this section of the study. The literature found in this section was mainly sourced from journals, books, references quoted in books, periodicals and internet.

2.1 The Concept of Strategy and Change Management.

Johnsons And Scholes (1999) states that strategy is the direction and scope of the organization over the long-term, which achieves advantages for the organization through its configuration of resources within the changing environment to meet the needs of the market and fulfill stakeholders expectations. Neither strategy nor change management would be considered particularly important if products and markets were stable and organization’s change was rare (Burnes, 2002). The organization’s environment is always changing and for an organization to enhance its competitive advantage, it must configure its resources to match the changes. The changes could be mild or turbulent but they must be matched accordingly by appropriate strategy.

Aosa (1992), states that strategy is creating a fit between the external characteristics and the internal conditions of an organization to solve a strategic problem. The strategic problem is the mismatch between the internal characteristics of an organization and its external environment. The matching is achieved through development of organization’s core capabilities that are correlated to external environment well enough to enable the exploitation of opportunities existing in the internal environment and to minimize the
impact of threats from external environment. The strategy of an organization must continuously and actively adapt the organizations to meet the demands of an ever-changing environment.

Strategic change management is defined as the actions, processes and decisions that are executed by an organization’s members to realize their strategic intentions. Strategic change is about managing the unfolding non linear dynamic processes during strategy implementation in policy, systems, values, staff and skills of an organization to realize strategy (Hardy, 1986).

Hill and Jones (2001) see strategic change as a process of moving an organization away from its present state towards some desired future state to increase its competitive advantage.

2.2 Models of Strategic Change Management
Change management is the use of systematic methods to ensure that the organization and its employees move from the old unwanted behavior to the new desired behavior for the survival of the organization, while retaining some of the key competences. Major scholars have therefore proposed a number of models for strategic change management. Kotter (1996) suggest eight steps model in which he says if implemented systematically, one step after another, will lead to successful change. This practice in change management consist of the following stages; establishing a sense of urgency; creating a guiding coalition; developing a vision and strategy; communicating the change vision; empowering employees for broad based action; generating short term wins; consolidating gains and producing more change; and anchoring new approaches in the culture. Kotter (1996) further summarized his experience of more than 100 companies trying to make fundamental change in order to cope with the environment thus “a few of these have been utter failures. Most fall somewhere in between, with a distinct tilt towards the lower end of the scale”.

2.2.1 The Planned Approach to Change Management
The first approach is the planned approach representing variety of models descending from the practice of Organization Development (Burnes, 1997) also distinguishes between hard-systems models and soft-systems models (OD). Hard-systems change management relates to rational-logical models where people issues are of low priority.
Soft-systems models on the other hand, refer to change models concerning organizational politics, culture and leadership; in other words, people issues.

The three most important models of the planned or OD cadre of change is the Action research model, the Three-step model and the Phases of planned change approach (Burnes, 1996; Senior, 1997; Genus, 1998). Action research was designed to address social and organizational issues and involves a collective approach where all parties involved participate in the formulation of research problems, and the action taken to solve these problems. The change process thus becomes a learning process, and is a rational systematic analysis of issues through social action.

The second model proposes that change should involve three steps of unfreezing, moving and refreezing, where old behavior has to be discarded before new ways can be adopted successfully (Burnes, 1996). A further elaboration of Lewin’s model (Burnes, 1996) is the third model of planned change, which consists of change phases (distinct states an organization moves through), and change process (methods to move the organization through these states). This model concentrated mostly on structural changes.

Specific characteristics of the planned approach (OD) is that it places emphasis on processes, deals with change over a significant period of time, follows a holistic approach, encourages participation, ensures full support from top-management, and involves a facilitator that takes on the role of change agent (Senior, 1997). These models have been criticized as too rigid, that phases cannot be distinct and chronologically ordered because of the extreme turbulence in the environment, that the emphasis is on incremental and isolated change rather than radical transformation, that reliance on management is too heavy and one kind of change could not work for all organizations (Burnes, 1996).

### 2.2.1.1 Lewin’s Change Management Model

One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1950s, and still holds true today. His model is known as Unfreeze–Change–Refreeze, refers to the three-stage process of change he describes. Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice (Lewin, K. 1947)
This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating. Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike. These show that things have to change in a way that everyone can understand (Schein, 1996).

To prepare the organization successfully, you need to start at its core – you need to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, you must examine and be prepared to change the existing foundations as they might not support add-on storeys; unless this is done, the whole building may risk collapse. This first part of the change process is usually the most difficult and stressful. When you start cutting down the "way things are done", you put everyone and everything off balance. You may evoke strong reactions in people, and that's exactly what needs to done. By forcing the organization to re-examine its core, you effectively create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, you won't get the buy-in and participation necessary to effect any meaningful change.

After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction. The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. A related change model, the Change Curve, focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this specific aspect in more detail.

When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into
everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

### 2.2.2 Emergent Approach to Change Management

The second group of approaches to change management recognizes that highly dynamic environments demand more contingent methods, that are more situational, and where change strategies can be adapted to achieve maximum fit with the ever-changing environment. These approaches have been developed out of the basic disbelief in the effectiveness of the planned change approaches (Burnes, 1996) and in dealing with the fast changing and unpredictable environments organizations are faced with (Sherman & Shultz, 1998). According to the emergent approaches, organizations can rely less on detailed plans and projections, and develop instead an understanding of the complexities of the environments and the issues concerned. Change should be linked to the reality of the changing markets, flexible boundaries and relationships with stakeholders, changing work ethics, and alterations in management controls (Burnes, 1996). Short-term change strategies and plans yield short-term results and more instability.

In following the emergent approaches to change management, organizations will need to increase their environmental scanning abilities in order to identify issues and trends that might affect them so that decision-making processes can be adjusted accordingly (Burnes, 1996). Management will also have to rethink and reformulate what change is all about, and not just change for the sake of change. They will have to move away from thinking in a linear and planned fashion, but and allow for unanticipated behaviors and probabilities (Sherman & Shultz, 1998). Postmodern management is more complex and chaotic than before. Chaos theory and complexity theory are postmodern approaches have contributed as paradigms to the discipline of change management, offering alternative methodologies for traditional planned change.

Emergent approaches to change have a few characteristics in common. Change is seen as continuous process of learning and experimentation to adapt and align to the turbulent environment (Burnes, 1996). Small-scale changes over time can lead to larger changes in the organizations where the primary role of managers is to gather information, as well as facilitate and communicate the creation and maintenance of the organization’s vision. Chaos and complexity theories do not provide simple plans and answers to change
management efforts, but promote instead discourse and participate in decision-making as an ongoing and ever-emerging process (Stroh & Jaatinen, 2001). Within the emergent paradigms of change and management, the practice and thinking of public relations will have to adjust accordingly, and new strategic interventions will have to be followed.

A first implication is the way information is managed. Traditionally, the reaction to crises and disorder was to secure and control information; however, from the emergent approaches, information should flow freely so that systems can adapt faster to environmental changes using feedback and intelligence (Youngblood, 1997).

A second implication for strategic management is the important obligation of relationship building in order for organizations to achieve its strategic objectives (Grunig et al., 1992). Communication can be used strategically in order to build trust, commitment, mutual satisfaction and mutual control of relationships with all the important stakeholders of the organization (Flower, 1993). The quality of relationships can be increased by facilitating participation and communication in all directions and overcoming barriers to knowledge sharing (Marlow O'Connor Wilson, 1997).

Furthermore, traditional hierarchies and borders in organizations should be challenged in the two imminent paradigms of change and management. Kiel (cited in Evans, 1996) proposes that the participations of employees and customers should be encouraged to increase participation, ownership and service excellence. More strategic and improved communication can enhance these relationships with outside stakeholders and create arbitrary boundaries for the organization (Sherman & Schultz, 1998). Boundaries within the organization are also broken down and a more interdisciplinary approach is followed. Building a culture of constant, flexible change within the organization is a further responsibility of public relations within the post modern paradigms. Leadership should be concerned with guiding vision and values through constant communication in all directions (Wheatley, 1994). This would imply allowing, and even facilitating, the questioning of management decisions, conflict, dialogue and debate. Participation of employees in the decision-making and driving change processes should be facilitated by providing channels to transmit, analyze and discuss change issues (Burnes, 1996)
2.3 Strategy Implementation

Howe (1986) argues that strategy implementation entails the translation of strategy into administrative and operating decisions that are constantly undergoing monitoring and evaluation. Steward (1986) on his part defines strategy implementation as an activity that embraces all those actions that are necessary to put a strategy into practice. It involves identification of key tasks to be performed, allocation of tasks to individuals, providing for inclination of separated tasks, design and installation of appropriate management systems and drawing up specific programs of action.

Strategic management is vital to survival in a turbulent business environment, organizations exist in a complex commercial, economic, political, cultural and social environment, more complex to some organizations than others. The success of every organization is therefore determined by its responsiveness to the environment. To obtain and retain a competitive advantage, organizations have found it necessary to examine their environment both internal and external and respond accordingly by formulating appropriate strategies as well as ensuring their successful implementation.

For successful strategy implementation, there are interrelated themes that play a crucial part these include, identification of measurable mutually determined annual objectives, development of functional strategies, communication of concise policies to guide decisions, coupled with this is the organization’s structure, it’s leadership and corporate culture play a significant role too Johnson and Scholes (2004).

2.3.1 Strategic Change Implementation

Howe (1986) notes that other than selecting the right people to carry out the strategic change implementation, it requires organizations to adopt the right organizational structure, to neglect the importance structure plays is to jeopardize the likelihood of achieving the firm’s goals and objectives.

Hill and Jones (2001) argue that implementing a strategy requires the allocation of roles and responsibilities for different aspects of the strategy to different managers and subunits within the company. Organizational structure maps out roles and responsibilities along with reporting relationships, success of strategic change implementation is very closely linked to the type of structure in existence, the leaner the structure the easier the strategic change execution and vice versa.
2.4 Factors That Influence Implementation of Strategic Change

Resistance to change, culture, leadership, teamwork and politics are some of the remarkable factors that affect the implementation of strategic change. They can either be an enhancement or a detriment to the change process.

2.4.1 Politics of the Organization

Hill and Jones (2001) see organizational politics as tactics that strategic change managers and stakeholders engage in to obtain and use power to influence organizational goals and change strategy and structure for their own interests.

Kanter et al (1992) argues that the first step to implementing change is coalition building, which involves those whose involvement really matters, specifically stakeholders such as contributors, employees and sponsors such as local authorities must support any change program in the pension industry for it to see the light of the day. A good example is the extension of retirement age from age 55 to age 60 which has elicited much politics among the retirees who look at it as delaying tactics by the government and the pension scheme to deny pensioners a longer period of enjoying pension since death may strike shortly after or before age 60.

2.4.2 Leadership

Hill and Jones (2001) view strategic leadership as the ability of one to articulate strategic vision for the company or a part of the company and to motivate others to buy into that vision. A strategy leader is an individual upon whom strategy development and change are seen to be dependent on, they are individuals personally identified with, and are central to the strategy of their organizations (Johnson and Scholes, 2002).

Johnsons and Scholes (2002) further argue that strategic change implementation success is directly linked to the unique characteristics, orientation and actions of the chief executive officer (CEO), the leadership in an organization will to a large extend determine the success or failure of strategic change implementation. The role of CEO is crucial, he/she is the catalyst in the strategic change management process thus his/her role is both symbolic and substantive especially if the strategy represents major changes that only the CEO can deliver such kind of commitments.

Johnson and Scholes (1999) contend that the management of change is often directly linked to the role of strategic leader. Leadership is the process of influencing an
organization in its effort towards achieving an aim or a goal. A leader is someone who is in a position to influence others hence change agents/champions provide leadership role. The leader's role includes creating vision, empowering people, building team work and communicating the vision.

Thomson (1997) while stressing the importance of effective leadership in managing change gave the qualities of an effective leader as being visionary, skilled, competent, motivate, analytical, persistent, enduring and flexible.

2.4.3 Structure

Heinz and Harold (1993) define organizational structure as being the grouping of activities and people into department. Bateman and Zeithaml (1990) also argue that structure is the division of tasks for efficiency and clarity of purpose and coordination between interdependent parts of the organization to ensure organizational effectiveness. Structure balances the need for specialization with the need for integration, it is through structure that strategist attempt to balance internal inefficiency and overall effectiveness within a broader environment. Bateman and Zeithaml further argue that effective organization does not always mean someone is in charge of ensuring a job gets done, but rather that authority is shared and that workers rely on their own initiative guided by a stable structure in place.

2.4.4 Culture and employee attitude

The role played by organizational culture cannot be downplayed in the implementation of strategic change management process. According to Schein (1984), culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration. Pearce and Robinson (2004) define organizational culture as the set of important assumptions that members of an organization share in common, every organization has its own culture. These assumptions, values and beliefs dictate the pattern of activities in the organization. Culture gives employees a sense of belonging, how to behave and react to changes, what they should do and where to place priorities at the time of emergent strategies.

It is therefore important to note an organization's culture can be a major strength when it is consistent with strategy hence can be a powerful tool in the implementation of strategic
changes. On the other hand culture can be major bottlenecks to strategic change implementation as it manifest itself in some cultural aspects that hinder behavior change such as stereotypes on gender that women make poor leaders, tribal groupings in work place among others. A culture is the values and practices shared by the members of the group. Company Culture, therefore, is the shared values and practices of the company's employees.

Company culture is important because it can make or break your company. Companies with an adaptive culture that is aligned to their business goals routinely outperform their competitors. To achieve results like this for your organization, you have to figure out what your culture is, decide what it should be, and move everyone toward the desired culture.

Company cultures evolve and they change over time. As employee leave the company and replacements are hired the company culture will change. If it is a strong culture, it may not change much. However, since each new employee brings their own values and practices to the group the culture will change, at least a little. As the company matures from a startup to a more established company, the company culture will change. As the environment in which the company operates (the laws, regulations, business climate, etc.) changes, the company culture will also change. These changes may be positive, or they may not. The changes in company culture may be intended, but often they are unintended. They may be major changes or minor ones. The company culture will change and it is important to be aware of the changes.

Willets (1996), observes that the reason change is so uncomfortable is because it is “the roller coaster ride of unfamiliarity”. The change phenomenon itself manifest in phases notable of all is the (holding phase) which is the stage of anticipation of change and at this stage people exhibit negative reactions like, denial, anger, anxiety and withdrawal directed either at management, the impersonal organization and even co-workers more especially to those who are positive about change.

According to Ansoff and McDonnel (1990), resistance to change is a multi-faceted phenomenon, which introduces delays, additional costs and instability into a change process. Resistance can either be behavioral or systemic. Behavioral resistance is exhibited by individuals, managers or groups because of parochial self interest,
misunderstanding and lack of trust or perhaps low tolerance to change. To overcome these, there is need for those managing change to understand the needs of employees and also employees to understand the change plan.

Systemic resistance originates from passive incompetence in managerial capacity to carry out the change. The capacity required to implement change is normally more than the existing capacity. To overcome this, management needs to plan and integrate processes as much as possible. Nothing is as upsetting to your people as change. Nothing has greater potential to cause failures, loss of production, or falling quality. Yet nothing is as important to the survival of your organization as change. History is full of examples of organizations that failed to change and that are now extinct. The secret to successfully managing change, from the perspective of the employees, is definition and understanding. Resistance to change comes from a fear of the unknown or an expectation of loss. The front-end of an individual's resistance to change is how they perceive the change. The back-end is how well they are equipped to deal with the change they expect. An individual's degree of resistance to change is determined by whether they perceive the change as good or bad, and how severe they expect the impact of the change to be on them. Their ultimate acceptance of the change is a function of how much resistance the person has and the quality of their coping skills and their support system.

2.5 Retirement Benefits Industry in Kenya

The principle of setting aside resources for retirement or earlier exit is not new in Kenya or in the world. Early global developments can be traced to 1686 in the United Kingdom customs and excise department where formal pension arrangements were made for employees. In 1770 a trust fund was set up by the central bank of England for relief to military personnel and their dependants in the event of demise. The U.K civil service scheme was then set up in the 1810 and other private and public sector firms then followed suit (Raichura, 2004).

In Kenya, the trend of providing pension for employees was to a large extend borrowed from the British during the colonial era. The civil service scheme was set up in 1940's followed by private sector companies which were largely multinational and foreign owned firms. Over time other Parastatals schemes were then set up as they broke off from the main civil service scheme. The National Social Security Fund (NSSF), was set up in
1965 with a view of providing a basic social security benefit to members on retirement (Raichura, 2004).

The pension sub-sector in Kenya consists of the following components:
The Public Service Pension schemes, which cover Civil Servants, Teachers, Members of the Disciplined Forces, Armed Forces, the Judiciary, the National Assembly and the President, are administered by the pension department of the Ministry of Finance and paid from the Consolidated Funds.

The National Social Security Fund (NSSF) is a provident fund established in 1965 through an act of parliament. Its membership is mainly drawn from private sector companies, Parastatals and public employees who are not under the civil service pension scheme. There are an estimated 1.1 million workers contributing to the NSSF. The required rate of contribution is capped at 10% of the wages, which is divided equally between the employer and the employee at Kshs 400 per month. The NSSF had assets of Kshs 81 billion as at June 30th, 2007.

Occupational Retirement Benefits Schemes are tax-advantaged schemes created voluntarily by employers to cater for retirement benefits for their workers such as LAP Trust. These schemes have varying contribution rates and by law are required to have an independent board of trustees, including member representatives, and independent fund managers and custodians. There are approximately 1200 occupational schemes in Kenya, which had assets of over 181 billion as at September 30th, 2007.

Individual Retirement Benefits Schemes are tax-advantaged schemes created by financial institutions and whose membership is open to members of the public interested in saving for retirement. These schemes provide a savings vehicle for those whose employers have not started occupational schemes, those who want to top up occupational savings, those in small firms including professionals and the self-employed and those who opt to transfer preserved benefits from other schemes. There are currently 14 individual schemes in Kenya with assets of Kshs 2 billion as at December 31st 2006. The last three categories of schemes are regulated by the Retirement Benefits Authority under the Retirement Benefits Act. (Ministry Of Finance Draft Medium Term Plan, 2008-2012, for the Financial Services Sector October 2008).
2.5.1 Defined Benefits Vs Defined Contributory System

The nature of pension schemes are widely categorized by structure, design and type of benefits they provide (Raichura, 2004). If retirement benefits are categorized by the type of benefits paid then where benefits are paid as cash lump sum payments then the arrangement is referred to as a provident fund. On the other hand, if benefits are paid as regular annuity payments then the arrangement is referred to as a pension scheme (Raichura, 2004).

Provident funds liabilities are a one off lumpsum payment to a member on exit. Hence this structure is also referred to as a “money back” arrangement. Members tend to prefer provident funds due to the attraction of receiving a lumpsum payment. The associated risk of squandering or mismanaging the retirement benefits however make this type of arrangement unattractive to government and employers, hence government have punitive tax on them to discourage members from it.

Pension schemes provide a regular income at retirement and are more common or preferred. It is argued that members of a pension scheme are better able to plan for their retirement as they are already used to planning with a regular salary income. Pension plans also provide greater flexibility in payment of benefits as a member may opt to commute their benefits in form of lumpsum and the remaining in form of monthly pension, for example commute a third of gross pension and the remaining two third spread as residual monthly pension earned for life. This therefore reduces the risk of squandering benefits hence better financial planning (Raichura, 2004).

In Kenya there are more pension schemes than provident funds, however the number of provident fund schemes is increasing as members opt for lumpsum payouts and employers seek to reduce administration costs by paying one off lumpsum. Until the introduction of the dubbed Mwiraria rule read in the budget of 8th June 2005, most pension schemes allowed members early access to benefits on withdrawal hence blurring distinction between provident funds and pension schemes (RBA Newsletter, 2006).

There are therefore two extreme design types of benefit schemes namely; the defined benefit scheme (final salary based pension scheme) and the defined contribution scheme (provident or money back scheme). All other scheme designs may be viewed as hybrid schemes formed by merging the two in certain proportions (Raichura, 2004).
2.5.2 The Retirement Benefits Authority (RBA)

As earlier put across in the previous discussions, early developments in the retirement benefits industry were largely favor and grace driven. There were very little regulatory requirements on the management of retirement benefit schemes. In Kenya, until the late 1990’s with the introduction of the RBA Act, 1997, only the income tax (Retirement Benefits Rules and Regulations, 1994) was applicable to retirement benefit schemes (Raichura, 2004).

With the setting up of the RBA through the retirement benefits act, 1997 and subsequent introduction of the retirement benefits rules and regulations in 2000, the level of regulation of the pension industry in Kenya has increased. The provisions of the retirement benefit rules and regulations have had an impact on the way in which retirement benefits schemes are managed and administered. In particular, the regulations have placed onerous requirements on trustees of retirement benefit schemes and particularly in the area of investments and funding levels of the schemes.

The primary objective of RBA as the regulator of retirement benefit schemes in Kenya is to safeguard member’s benefits. The trustees of retirement benefits schemes have two fundamental obligations to members in managing their retirement benefits schemes (or Trust assets). The first one being to ensure sufficient assets are available to meet the liabilities as they fall due; and secondly to maximize the return on funds subject to acceptable degree of risk (Kiwanuka, 2005).

**Table 1.0: RBA Maximum Guidelines on Asset Classes:**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>RBA Maximum % Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>30%</td>
</tr>
<tr>
<td>Treasury Bills And Bonds</td>
<td>70%</td>
</tr>
<tr>
<td>Shares and collective investment schemes</td>
<td>70%</td>
</tr>
<tr>
<td>Commercial Paper, corporate bonds and approved loan stocks</td>
<td>15%</td>
</tr>
<tr>
<td>Unquoted Equities in Kenya</td>
<td>5%</td>
</tr>
<tr>
<td>Cash and Demand Deposits</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>30%</td>
</tr>
<tr>
<td>Offshore Investments</td>
<td>15%</td>
</tr>
</tbody>
</table>
Other Approved Assets  
Guaranteed Funds  

<table>
<thead>
<tr>
<th>Other Approved Assets</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Funds</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Source: RBA Rules, 2000).

This means therefore that all schemes in Kenya need to have an asset allocation that adheres to these maximum limits. Generally Accepted Accounting Principles (GAAP) also have to be considered when making investment decisions. GAAP provide for investment to be recorded at historical costs and any loses to be recognized immediately in the books of accounts. These principles may prohibit a portfolio manager from divesting from an asset and taking a loss yet the corresponding opportunity cost of the foregone investment may be higher. It is therefore important for trustees to give the portfolio manager adequate mandate when developing the investment policy to make certain decisions with a view to optimistic returns (Raichura, 2004).

2.6 Research Gap

A good number of studies have been conducted with respect to implementation of strategic change to Defined Benefits Pension Scheme. The study by Stewart and Yermo (2008) sought to gain insights into challenges and potential solutions to governance of pension fund. The survey fielded by Cocco and Volpin (2005) mainly dwelt on defined benefit pension plans’ governance on a corporate angle; and more specifically in the United Kingdom. Bikker and de Dreu (2006) in their study focused more the efficiency of pension fund while still examining the impact of scale, governance and plan design on this issue. A research by Marr et al (2006) was more interested in examining the restoration of assurance through analysis and evaluation of pension’s performance. The study by Marossy and Yermo (2001) paid special attention on governance of pension fund with particular reference to the portfolio of insurance and private pension in developing countries.

The studies reviewed laid more emphasis on particular objective matters and were restricted to specific aspects ostensibly because of the original purpose why they were conducted. And as such, these particular studies were rather general and limited in their scope. In actual fact, none among them has touched on the factors that have influenced the implementation of strategic change in Defined Benefits Pension Scheme. Therefore,
the researcher intends to bridge this knowledge gap by narrowing down on the factors that have influenced the implementation of strategic change in Defined Benefits Pension Scheme in Kenya

2.7 Conceptual Framework

The conceptualization of the study was based on the assumption that the implementation of the strategic change is faced with factors that frustrate the plans and their implementing machineries, of which when eliminated will lead to improved performance and greater profitability in the pension sector. Implementation of strategic change in Laptrust depends on several factors. In this study, implementation of strategic change was hypothesized to be related to organizational leadership, organizational structure and organizational culture. Figure I below shows the relationship between variables involved in this study.

Fig 1.0: Schematic Diagram Showing the Relationship between the research variables

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependant variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>Implementation of</td>
</tr>
<tr>
<td>leadership</td>
<td>strategic change</td>
</tr>
<tr>
<td>Organizational</td>
<td></td>
</tr>
<tr>
<td>structure</td>
<td></td>
</tr>
<tr>
<td>Organizational</td>
<td></td>
</tr>
<tr>
<td>culture</td>
<td></td>
</tr>
</tbody>
</table>
An independent variable is chosen in an experiment and therefore it does not change. The researcher manipulates these variables so as to determine their effect on another variable. These variables are considered as input variables that are provided so as to make observations in an experiment. The independent variables in this study are organizational structure, organizational culture and organizational leadership. The dependent variable varies as a function of the independent variable. This variable attempts to indicate the total influence arising from the effect of independent variable. It is considered as the output variable in an experiment. In this study, the dependent variable is the implementation of strategic change in Laptrust and it will indicate the total influence of the three independent variables.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction
This chapter focuses on the procedures and methods to be used to select, study, collect, analyze data and it is categorized into research design, population, sample, data collection, data analysis and data presentation. Of great importance in this chapter is a brief description of the chosen research design to be used to achieve the objectives of the study which were to establish the factors facing the implementation of strategic change management to defined benefits pension scheme in Laptrust.

3.1 Research Design
A case study was considered appropriate design for this study given that the population of interest is small, that is, the Local Authorities Pension Trust. Mugenda and Mugenda, (1999) asserts that, a case study is an in-depth investigation of an individual, group, institution or phenomenon. This study was therefore intended to enable the researcher to gain in-depth information of the factors facing the implementation of strategic change to Defined Benefits Pension Scheme. Both Young (1960) and Kothari (1990) concur that a case study is a very powerful form of quantitative analysis that involves a careful and complete observation of a social unit, be it a person, a family, an institution, a cultural group or even the entire community. It is therefore a method that drills down rather than casts wide. From this study therefore, data generalizations and inferences were made (Muchui, 2006).

3.2 Population
Population used in this study were the 78 employees of Local Authorities Pension Trust who were our point of focus from which to choose the sample for the study and are categorized into departments such as; Operations Dept, Finance and Property, Human Resource & Administration, Information and Communication Technology (ICT), Internal Audit, Corporate Affairs And Marketing.

3.3 Sample
Since the population is small, a population census technique was used. A population of all the employees was selected from Local Authorities Pension Trust. According to (Kothari C.R, 1990), population census was deemed appropriate for small populations.
This is a sampling method where a researcher purposely targets a group of respondents believed to be reliable for the study. It is predicted that 100% of the total sample will respond.

**Table 2.0: Census Stratum**

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Middle-level Management</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>General staff</td>
<td>67</td>
<td>64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

(Source: Researcher, 2011)

**3.4 Data Collection**

The primary qualitative data on factors facing the implementation of strategic change was collected using self-administered questionnaires with closed and open-ended questions. Closed-ended questions were put on a Likert scale of 1-5 where the respondents were required to rate the objective to be investigated. The open-ended questions were used to get an explanation from the respondents about some of the close-ended questions. The importance of the proposed survey was explained to the available population of the organization. This was in order to request their participation in filling the questionnaires, so as to enhance the completion and response rate. The questionnaires were administered using the Drop and Pick later method.

The secondary data was collected from various sources including the organization’s financial statements, strategic plans, operation manuals, Retirement Benefits Acts, Organization’s Trust Deeds, Human Resource data, and change program reports, staff training manuals, and consultant’s reports.

**3.5 Data Analysis**

Data collected was both qualitative and quantitative. The qualitative data was analyzed using the conceptual content analysis method. Nachmias and Nachmias (1996) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate trends. Content analysis is a research tool used to determine the presence of certain words
or concepts within texts or sets of texts. Researchers then quantify and analyze the presence, meanings and relationships of such words and concepts, then make inferences about the messages within the texts, the audience and even the culture and time of which these are a part (Carley 1992).

The quantitative data was analyzed using descriptive statistics with statistical tools such as mean, mode and median. Wang'ombe, (2003), notes that descriptive statistics are used to describe the basic features of the data in a study.

3.6 Data Presentation

Data presentation was based on the use of descriptive statistical tools such as the graphs, tables, pie charts; percentages and frequency distribution were computed with the aid of the Statistical Package for Social Sciences (SPSS). Tables are used in this study to illustrate the comparison and summarization of various sets of data.
CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.0 Introduction
This chapter is a presentation of the research findings following the data collection and analysis described in chapter 3. The results are presented in the form of charts, graphs and tables.

4.1 Analysis of the Response Rate
The study distributed 78 questionnaires and had a response of 67 (85.89% response rate). The findings of the study are presented in table 3.0 below.

Table 3.0 response rate

<table>
<thead>
<tr>
<th>Target population</th>
<th>Questionnaires distributed</th>
<th>No of Questionnaires responded to.</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>78</td>
<td>78</td>
<td>67</td>
<td>85.89%</td>
</tr>
</tbody>
</table>

4.2 Analysis of the background information

4.2.1 Respondents’ age
Table 4.0 AGE

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>23.9</td>
<td>23.9</td>
<td>23.9</td>
</tr>
<tr>
<td>31-40 YEARS</td>
<td>43.3</td>
<td>43.3</td>
<td>67.2</td>
</tr>
<tr>
<td>41-50YEARS</td>
<td>25.4</td>
<td>25.4</td>
<td>92.5</td>
</tr>
<tr>
<td>51 AND ABOVE</td>
<td>7.5</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.0 above shows that majority of the respondents 43.30% were in the age bracket of 31-40, 25.40% were between 41-50 years, 23.90% were between 21-30 years where as only 7.50% of the respondents were above 51 years old.

4.2.2 Respondents gender
All the respondents were employees of Laptrust better acquainted with the variables under study, The study utilised a sample made up of 61.19% male and 38.81% female as represented in figure 2.0 below.

Figure 2.0 gender

4.2.3 Designation
Respondents were from all levels of designation from senior management to general staff. Analysis of the population indicated that majority of the respondents 59.70% were the general staff, 16.42% were at the functional level of management,14.93% were senior managers as the least were middle level managers with a population of 8.96% as represented in figure 3.0 below.
4.2.4 Academic qualification

Table 5.0 LEVEL OF EDUCATION

<table>
<thead>
<tr>
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<th>Cumulative Percent</th>
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</thead>
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<td>Total</td>
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<td></td>
</tr>
</tbody>
</table>

Table 5.0 above indicates that 47.80% of the respondents had attained a degree in their academic qualification, 31.30% had a postgraduate certificate whereas 20.90% had a
diploma. Findings also indicates that majority of the respondents (47.80%) had attained a degree as their highest level of academic qualification.

4.3 QUALITATIVE ANALYSIS
SECTION 2: Factors affecting implementation of strategic change in Laptrust

4.3.1 ORGANIZATIONAL STRUCTURE
This section shows findings regarding the factors affecting implementation of strategic change in Laptrust, the influence ranged from strongly agree to strongly disagree in a Likert scale where 5 represented strongly agree and 1 represented strongly disagree.

4.3.1.1 The organization structure of Laptrust does not match the strategic change.
Table 6.0 ORGANIZATIONAL STRUCTURE/STRATEGIC CHANGE

<table>
<thead>
<tr>
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<th>Frequency</th>
<th>Percent</th>
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<th>Cumulative Percent</th>
</tr>
</thead>
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<td>70.1</td>
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<td>10.4</td>
<td>98.5</td>
</tr>
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<tr>
<td>Total</td>
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<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.0 above represents findings regarding the match between Laptrusts organizational structure and strategic change. Findings indicated that majority of the respondents 52.20% disagreed with the statement that the organization structure of Laptrust does not match the strategic change, 17.90% strongly agreed with the statement while another 17.90% were neutral to the same opinion, 10.40% agreed as 1.50% of the respondents strongly disagreed.
4.3.1.2 The reporting relationship hinders effective implementation of the strategic change.

Table 7.0 REPORTING RELATIONSHIPS AND EFFECTIVE IMPLEMENTATION

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</thead>
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<tr>
<td>DISAGREE</td>
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</tr>
<tr>
<td>DISAGREE</td>
<td>17</td>
<td>25.4</td>
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<td>Total</td>
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</tr>
</tbody>
</table>

Respondents were asked to rate their opinion on the fact that reporting relationships hinder effective implementation of the strategic change, findings indicated that a majority of the respondents, 56.70% agreed that reporting relationships in the organizational structure hinder effective implementation of the strategic change, 25.40% disagreed, 10.40% strongly disagreed, 4.50% were neutral to this opinion while 3.0% of the respondents strongly agreed with this statement. The findings are presented in table 7.0 above.

4.3.1.3 Tasks and responsibilities are not adequately defined.

The study sought to determine whether tasks and responsibilities are not adequately defined in the organizational structure of Laptrust, findings indicated that while 26.90% of the respondents agreed that tasks and responsibilities are not adequately defined, another 26.90% also strongly disagreed with this assumption, 23.90% were neutral to this opinion, 20.90% disagreed as only 1.50% of the respondents strongly agreed. This has been shown in table 8.0 below.
Table 8.0 TASKS/RESPONSIBILITIES ARE NOT ADEQUATELY DEFINED

<table>
<thead>
<tr>
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</thead>
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<td>47.8</td>
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<td>DISAGREE</td>
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<td>23.9</td>
<td>23.9</td>
<td>71.6</td>
</tr>
<tr>
<td>NEUTRAL</td>
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<td>26.9</td>
<td>26.9</td>
<td>98.5</td>
</tr>
<tr>
<td>AGREE</td>
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<td>1.5</td>
<td>1.5</td>
<td>100.0</td>
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<tr>
<td>STRONGLY AGREE</td>
<td>67</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3.1.4 Laptrust organizational structure is acceptable to employees

The study sought to find out whether the organizational structure of Laptrust is acceptable to the employees, findings indicated that 40.30% were neutral and indifferent to this regard, 32.80% agreed, 14.90% disagreed, 10.40% strongly agreed with it as only 1.50% of the respondents strongly disagreed with this opinion. The findings are represented in table 9.0 below.
4.3.1.5 Formal organizational structure often conflict with the informal social groups

Analysis on whether formal organizational structure often conflicts with the informal social groups indicated that a majority of the respondents, 49.30% agreed with it, 23.90% disagreed, 22.40% were neutral to this opinion, and only 4.50% strongly disagreed. The study also noted that none of the respondents strongly agreed with this factor. Findings are represented in figure 10.0 below.
### Table 10.0 FORMAL ORGANIZATIONAL GROUPS VS INFORMAL SOCIAL GROUPS

<table>
<thead>
<tr>
<th>Valid</th>
<th>STRONGLY</th>
<th>Frequency</th>
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<tr>
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<td>AGREE</td>
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</table>

### 4.3.2 ORGANIZATIONAL CULTURE AND EMPLOYEE ATTITUDE.

This subsection focuses on the relationship between organizational culture and employee attitude with regard to strategic change, influence ranged from strongly agree to strongly disagree in a Likert scale where 5 represented strongly agree and 1 represented strongly disagree.

#### 4.3.2.1 Organizational culture is supportive of strategic change implementation activities.

To further establish the factors that facing implementation of strategic change in Laptrust, respondents were asked on their responses regarding the organizational structure and strategic change in Laptrust, majority of the respondents 61.20% disagreed that the organizational culture supports strategic change, 19.40% of them agreed, 10.40% strongly disagreed, 7.50% of the population were indifferent, as the least percentage i.e 1.50% strongly disagreed. The findings are represented in figure 11.0 below.

### Table 11.0 ORGANIZATIONAL CULTURE IS SUPPORTIVE OF STRATEGIC CHANGE IMPLEMENTING ACTIVITIES
4.3.2.2 The vision of the organization is widely shared by the employees.
Table 12.0 below shows the rankings of the population’s responses on whether the vision of the organization is widely shared by the employees, 26.90% were neutral to this assumption, 25.40% disagreed, 23.90% agreed, 22.40% strongly agreed that the vision of the organization is widely shared by the employees as only 1.50% strongly disagreed with it.

Table 12.0 VISION OF ORGANIZATION IS WIDLEY SHARED BY EMPLOYEES
4.3.2.3 Some of the institutional procedures and policies are not properly outlined.

The study sought to find out the respondents' opinions on whether some of the institutional procedures and policies are not properly outlined. 41.80% agreed that some of the institutional policies and procedures are not properly outlined, 29.90% disagreed. 19.40% were neutral. 7.50% strongly disagreed with this statement as only 1.50% strongly agreed with it as shown in Table 13.0 below.

**Table 13.0 SOME INSTITUTIONAL PROCEDURES AND POLICIES ARE NOT PROPERLY OUTLINED**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
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<th>Cumulative Percent</th>
</tr>
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<tr>
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</tr>
<tr>
<td>Total</td>
<td>67</td>
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</table>

4.3.2.4 Team work and consultation is a way of life in the organization.
Table 14.0 TEAM WORK AND CONSULTATION IS A WAY OF LIFE

<table>
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<tr>
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<th>Frequency</th>
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<td>4.5</td>
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<tr>
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</tr>
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<td>50.7</td>
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<td>16.4</td>
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</tr>
<tr>
<td>AGREE</td>
<td>17</td>
<td>25.4</td>
<td>25.4</td>
<td>92.5</td>
</tr>
<tr>
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<td>7.5</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 14.0 above indicates the findings that a majority of the respondents 46.30% disagree that team work and consultation is a way of life in the organizational culture, 25.40% of them agree, 16.40% are neutral to this regard, 7.50% strongly agree as only 4.50% strongly disagree.

4.3.2.5 There is resistance to implementation of the strategic change.

Table 15.0 RESISTANCES TO IMPLEMENTATION STRATEGIC CHANGE

<table>
<thead>
<tr>
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<th>Frequency</th>
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<th>Valid Percent</th>
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</tr>
</thead>
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<td></td>
</tr>
<tr>
<td>STRONGLY</td>
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<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
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<tr>
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<td>13.4</td>
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</tbody>
</table>
With regard to resistance to the implementation of strategic change, majority of the respondents 67.20% agree that there is resistance in implementing strategic change, 17.90% are neutral. 13.40% disagree and 1.50% of them strongly disagree. The researcher however noted that none of the respondents strongly agreed with this factor.

4.3.2.6 Technical strategic change causes disruptive social change

Table 16.0 TECHNICAL STRATEGIC CHANGE CAUSES DISRUPTIVE SOCIAL CHANGE

<table>
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<th>Percent</th>
<th>Valid Percent</th>
<th>Percent</th>
</tr>
</thead>
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<td>14.9</td>
<td>16.4</td>
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<td></td>
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</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
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</tbody>
</table>

The study sought to find out whether technical strategic change causes disruptive social change. 44.80% agreed that it does, 37.30% were neutral to this regard, and 14.90% disagreed. It was interesting to note that as 1.50% of the respondents strongly disagreed with this opinion an equal force 1.50% of the respondents strongly agreed with this opinion as shown in table 16.0 above.

4.3.2.7 There is a preoccupation with the technical aspects at the expense of other aspects.
Table 17.0 PREOCCUPATION WITH THE TECHNICAL ASPECTS AT THE EXPENSE OF OTHER ASPECTS

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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</tr>
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</tbody>
</table>

Table 17.0 above is a representation of the respondents' feedback on preoccupation with the technical aspects at the expense of other aspects in the organizational culture. It was interesting to note that a majority of the respondents 52.20% were neutral to this regard and none of them strongly disagreed with it. However, 23.90% disagreed with this factor, 19.40% agreed, and only 4.50% strongly agreed with it.

4.3.3 ORGANIZATIONAL LEADERSHIP

The study also sought the role of organizational leadership as a factor facing the implementation of strategic change in Laptrust. Influence ranged from strongly agree to strongly disagree in a Likert scale where 5 represented strongly agree and 1 represented strongly disagree.
4.3.3.1 The leadership of Laptrust board is supportive of strategic change implementation tasks and activities.

Table 18.0 LEADERSHIP BOARD IS SUPPORTIVE OF STRATEGIC CHANGE IMPLEMENTATION TASKS

<table>
<thead>
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</table>

The study found out that 59.70% of the respondents agreed with the variable that leadership board at Laptrust is supportive of strategic change implementation tasks, 28.40% strongly agreed to this regard, 10.40% were neutral and 1.50% disagreed. However, the researcher noted that none of the respondents strongly disagreed with this factor. Findings are represented in table 18.0 above.

4.3.3.2 Managers allow information to flow freely either way.

Respondents were asked to rate their opinion on whether managers allow information to flow freely either way, majority of them disagreed with a 44.80% response rate, 23.90% were neutral, 20.90% agreed, 7.50% strongly agreed with the assumption and only 3.0% strongly disagreed as shown in table 19.0 below.

43
Table 19.0 MANAGERS ALLOW INFORMATION TO FLOW FREELY

<table>
<thead>
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<th>Frequency</th>
<th>Percent</th>
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<th>Cumulative Percent</th>
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<td>44.8</td>
<td>47.8</td>
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<tr>
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<td>23.9</td>
<td>23.9</td>
<td>71.6</td>
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<tr>
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<td>92.5</td>
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</table>

4.3.3.3 Decision making is participatory

Table 20.0 DECISION MAKING IS PARTICIPATORY

<table>
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<td>16.4</td>
<td>94.0</td>
</tr>
<tr>
<td>STRONGLY AGREE</td>
<td>4</td>
<td>6.0</td>
<td>6.0</td>
<td>100.0</td>
</tr>
<tr>
<td>AGREE</td>
<td>67</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Under testing was whether decision making was participatory in Laptrust, 43.30% of the respondents disagreed, 31.30% were neutral to the opinion, 16.40% agreed and only 6.0% strongly disagreed. None of the respondents strongly agreed with this factor. Findings are illustrated in table 20.0 above.
4.3.3.4 Leadership is receptive to change.

The study sought to find out how leadership is receptive to changes in Laptrust with regard to strategic change. 52.20% were neutral (indifferent) about this aspect, 37.30% agreed, 6.0% strongly agreed and 4.50% disagreed. None of the respondents strongly disagreed with the element. Findings are shown in table 21.0 below.

Table 21.0 LEADERSHIP IS RECEPTIVE TO CHANGES

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid DISAGREE</td>
<td>3</td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>NEUTRAL</td>
<td>35</td>
<td>52.2</td>
<td>52.2</td>
<td>56.7</td>
</tr>
<tr>
<td>AGREE</td>
<td>25</td>
<td>37.3</td>
<td>37.3</td>
<td>94.0</td>
</tr>
<tr>
<td>STRONGLY AGREE</td>
<td>4</td>
<td>6.0</td>
<td>6.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3.3.5 Junior employees strive to achieve the goals of the organization.

Table 22.0 JUNIOR EMPLOYEES STRIVE TO ACHIEVE GOALS OF THE ORGANIZATION

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid DISAGREE</td>
<td>4</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>NEUTRAL</td>
<td>23</td>
<td>34.3</td>
<td>34.3</td>
<td>40.3</td>
</tr>
<tr>
<td>AGREE</td>
<td>30</td>
<td>44.8</td>
<td>44.8</td>
<td>85.1</td>
</tr>
<tr>
<td>STRONGLY AGREE</td>
<td>10</td>
<td>14.9</td>
<td>14.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Findings in table 22.0 above show the findings that 44.80% of the respondents agree with the aspect that junior employees strive to achieve goals of the organization, 34.30% are neutral to this effect, 14.90% strongly agree and 6.0% disagree. None of the respondents strongly disagree with this element.

4.4 QUANTITATIVE ANALYSIS
This section shows the analysis of the open ended questions in the questionnaire and basis of analysis is through capturing answers based on their commonality through content analysis.

4.4.1 Other factors that pose as a challenge to the implementation of strategic change.

4.4.1.1 Creativity and competence/strategic management departments.
Respondents were asked to explain other factors that pose a challenge in the implementation of strategic change, 74.63% indicated that creating appropriate space for employees to reveal their creativities and competencies, 25.37% were of the opinion that creating an independent department for planning and strategic management as well a proper command of hierarchies and creating self-managed expert teams contributed to the challenges of implementation of strategic change. Findings are shown in figure 4.0 below.

Figure 4.0 creativity and competence/strategic management departments.
4.4.1.2 Lack of change and flexibility/lack of competitive culture.

With regard to organizational culture, findings indicated that 52.24% of the respondents were of the opinion that the organization lacks a culture of changing and flexibility, while 47.76% were of the opinion that the culture did not create a competitive environment among people in organization as shown in figure 5.0 below.

**Figure 5.0 lack of change and flexibility/lack of competitive culture.**
4.4.1.3 Solutions /employee support/scheduled programs.

Based on responses to questionnaires, analysis indicated that other factors that pose a challenge to the implementation of strategic change in relation to organizational leadership include lack of explicit (straight forward) goal setting and presenting effective solutions and ideas by leaders with 20.90% of the respondents reflecting this, 28.36% indicated that leaders do not support employees perception of goals and strategies and neither do they consult nor use intellectual abilities of employees while 50.75% were of the opinion that they(leaders) do not present a scheduled program of organizational activities or imagine an end point of implementation of strategies. These findings are represented in figure 6.0 below.
Figure 6.0 Solutions /employee support/scheduled programs.
CHAPTER FIVE
SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter will present the summary of the findings, answers to research questions; conclusion will be drawn from the data analysis performed in chapter four. Implications drawn from the study will be discussed subsequently and the study will end in recommendations reached.

5.2 Summary of findings
The study sought to find out the factors facing the implementation of strategic change in Laptrust in defined benefit schemes. Under study was the organizational culture, structure and leadership of Laptrust and the various variables that pose a challenge in the implementation of strategic change, respondents agreed that the reporting relations, definition of tasks and responsibilities, organizational structure, culture, vision of the organization, proper outline of the institutions procedures and policies, teamwork, technical strategic change, preoccupation of all aspects in the organization, support by leadership, information flow, participatory decision making and striving to achieve organizational goals by junior employees all play an important role in the implementation of strategic change with majority of the respondents either agreeing or being neutral towards this elements. The researcher also noted that to add to the organizational structure, culture and leadership other factors like creativity and competence/strategic management departments, Lack of change and flexibility/lack of competitive culture and Solutions, employee support/scheduled programs that are crucial to the success or failure of the implementation of strategic change in the organization.

5.3 Answers to research questions

5.3.1 Does leadership of the organization pose as a factor affecting the implementation of strategic change?
Johnsons and Scholes (2002) argue that strategic change implementation success is directly linked to the unique characteristics, orientation and actions of the chief executive officer (CEO), the leadership in an organization will to a large extend determine the success or failure of strategic change implementation. In this study with regard to
organizational leadership, the study found out that 59.70% a majority agreed that Laptrust board is supportive of strategic change, 44.80% a majority disagreed that managers allow information to flow freely either way, 46.30% disagreed with the opinion that decision making was participatory as 52.20% of the respondents were neutral to the fact that leadership is receptive to change. Finally 48.80% of the respondents were of the opinion that junior employees strive to achieve the goals of the organization. In conclusion the respondents opinion dictates that leadership plays an important role in the implementation of strategic change and thus if leadership is poor it poses a challenge.

5.3.2 Does the organizational structure also affect the implementation of the strategic change?

Bateman and Zeithaml, (1990) further argue that effective organization does not always mean someone is in charge of ensuring a job gets done, but rather that authority is shared and that workers rely on their own initiative guided by a stable structure in place. In this study findings indicated that 52.0% of the respondents disagreed that the organizational structure of Laptrust does not match strategic change, 56.70% agreed that reporting relations hinder effective implementation of strategic change, 26.90% disagreed that tasks and responsibilities were not adequately defined. 40.30% were neutral to the effect that the organizational structure of Laptrust was acceptable as 49.30% agreed to the effect that formal organizational structure conflicts with informal social groups. It’s clear that the organizational structure of Laptrust poses a major challenge in the implementation of strategic change.

5.3.3 Does culture of the organization pose as another factor in the implementation of strategic change?

Pearce and Robinson, (2004) define organizational culture as the set of important assumptions that members of an organization share in common, every organization has its own culture. These assumptions, values and beliefs dictate the pattern of activities in the organization. In our study analysis on the organizational culture and its impact on implementation of strategic change showed that 61.20% of the respondents disagreed with the aspect that the culture is supportive of strategic change, 26.90% were neutral to the opinion that the vision of the organization is widely shared by the employees, 41.80% agreed that some of the institutional procedures and policies were not properly defined.
while 29.90% disagreed. 46.30% disagreed that team work and consultation were a way of life as 67.20% agreed that there is resistance to implementation of strategic change. Technical strategic change causes disruptive social change with 44.80% agreeing to this and 52.20% a majority of the respondents being neutral to the fact that there is preoccupation with technical aspects at the expense of other aspects. We can draw a conclusion based on the findings that the organizational culture indeed affects the implementation of strategic change.

5.4 CONCLUSION
This study confirms that there are several factors that will affect Strategy implementation in Laptrust defined benefit scheme as well as any organization, especially on service companies which have different nature than other kinds of organizations; the importance of this issue gets more highlighted. Diversification and broadness of service sector including individual and social services, professional and commercial and public increases the role and importance of strategy implementation. Today most of executive managers of companies, profit and non-profit organizations spend considerable time, energy and money for formulating and assigning basic strategies of their organizations, but they often imply about not implementing strategies properly. Managers' defined vision is obviously clear for themselves, but employees' perception of that, may be gloomy and then they do least effort to achieve objectives derived from this vision. Managers end up choosing approaches of performance evaluation as an aiding device. But specifications of today's economy based on knowledge and information have severely questioned the efficiency of custom approaches of performance evaluation. Implementation of strategies highly affects all levels of organization and both divisional and functional levels. Despite of existing attitudes, identifying factors affecting implementation of strategies is important. It emphasizes the role of an evaluation system which undertakes success and it requires managers and decision-makers to identify these factors, while formulating, and by considering them, estimate success rate of strategy when implementing phase.
5.5 RECOMMENDATIONS

5.5.1 Fund managers
For the fund managers, it's important to create an organization which can implement the strategies and being sure that financial resources are allocated to units appropriate to their contribution of strategic role. They should be sure that consuming resources (inputs) will cause desired outputs. They should be able to provide financial resources (budgeting) which can support strategic change and its implementation.

5.5.2 Trustees
For the trustees it would be of benefit to develop and manage policies and procedures that facilitate implementation of strategic change, creating operational & administrational systems which can empower strategies establishing inter support units, Motivating people and units for implementation of strategies, designing remunerations that can cause optimal level of performance. Encouraging tendencies for achievement of aims innovating motivation and remunerations in close relationship with objectives and strategies,

5.5.3 RBA and other Pension schemes
Recommendations go to pension schemes; it would be of great value to create common values, defining ethical criteria, creating a work place which supports strategies, creating highly achievement motives in culture of organization. Forming organization's culture to adjust strategies, leading process of value formation, culture development, and empowering implementation. Such schemes can also develop saving innovations, policies and procedures that ensure return's and continued customer support and interrelations, ensure responsibility to environment and using opportunities while considering political aspects of strategies, confronting to power conflicts, and creating a consensus that poses ethical criteria and behavior innovation modifications for improving implementation of strategic change.

Finally, there needs to be a clear policy direction with regard to short term and long run effects of the strategy implementation to the organization and its practicability. When considering choice, it is necessary to take a prescriptive view. In ensuring strategic change, situational analysis planning tools have an important role in making strategic
choices and the overall implications it will during the implementation of strategic change, however, judgment and skill are also critical.

5.5.4 Recommendation for Further Research
This study was specifically skewed to retirement benefits industry and particularly Laptrust hence a similar study can be carried out in other industries or in similar industry but different organization. The study focused on a DB scheme thus leaving a DC scheme a possible study by other future researchers. It would also be prudent to carry out a study on the perception of retirees and or contributors towards implementation of strategic change in defined benefit schemes and solutions there from used to enhance the management process of the same schemes.
References
Bateman T, and Zeithaml C, (1990) _Management Function and Strategy_; Richard Irwin
Bolman L.G and Deal, T.E (1991) _Reframing Organizations; Artistry, Choice and Leadership_, San Francisco: Jossey_ Bass
Goodfellow, B (1985) The Evolution and Management Of Change In Large Organizations. _Army Organizational Effectiveness Journal_ 1:25-29


ILO Convention (102) The Decent Work Agenda


Mugenda O.M and Mugenda A.G (1999); *Research Methods; Quantitative and


APPENDICES
APPENDIX I: QUESTIONNAIRE COVER LETTER

Chumo Kogei Anthony,
Kenyatta University,
Department of Management Science,
P.O BOX, 45469-00100
Nairobi.
February 2012

Dear Sir/Madam,

RE: DATA COLLECTION

I am a postgraduate student at Kenyatta University undertaking a Master of Business Administration degree Program majoring in Strategic Management. One of my academic outputs before graduating is a thesis and for this I have chosen the research topic “Factors affecting the implementation of strategic change in Defined Benefits Pension Scheme – The case of Local Authorities Pension Trust”.

You have been selected to form part of the study. This is to kindly request you to assist me collect the data by responding to the questionnaire. The information you provide will be used strictly for academic purposes and will be treated with utmost confidence.

Your assistance will be highly appreciated.

Yours sincerely,

Chumo Kogei Anthony
APPENDIX II: QUESTIONNAIRE

Section 1: Organizational Profile (Tick where appropriate)

a) Name of Employee (Optional) .................................................................

b) Age: 21 – 30 years  □  
      31 – 40 years  □  
      41 – 50 years  □  
      51 and above  □  

c) Gender: Male □  Female □  

d) Designation: Senior Manager □  
      Middle-level Manager □  
      Functional-level Manager □  
      General staff □  

e) Academic qualification: Post Graduate □  
      Graduate □  
      Diploma □  

Section 2: Factors facing implementation of Strategic Change in Laptrust

This Sub-Section Focuses on Organizational Structure

Please indicate your level of agreement with the statements given below.

Where: 5 - Strongly Agree  4 - Agree  3 - Neutral  
2 - Disagree  1 - Strongly Disagree.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization structure of Laptrust does not match the strategic change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The reporting relationships hinders effective implementation of the strategic change

Tasks and responsibilities are not adequately defined
The Laptrust organizational structure is acceptable to employees

Formal organization structure often conflict with the informal social groups

This Sub-Section Focuses on Organizational Culture and employee attitude

Please indicate your level of agreement with the statements given below.

**Where: 5 - Strongly Agree 4 - Agree 3 - Neutral 2 - Disagree 1 - Strongly Disagree.**

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organizational culture is supportive of strategic change implementation activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The vision of the organization is widely shared by employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some of the institutional procedures and policies are not properly outlined</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork and consultation is a way of life in the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is resistance to implementation of the strategic change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical strategic change causes disruptive social change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a preoccupation with the technical aspects at the expense of other aspects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This Sub-Section Focuses on Organizational Leadership

Please indicate your level of agreement with the statements given below.

**Where: 5 - Strongly Agree 4 - Agree 3 - Neutral 2 - Disagree 1 - Strongly Disagree.**

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The leadership of Laptrust Board is supportive of strategic change implementation tasks and activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Managers allow information to flow freely either way
Decision making is participatory
Leadership is receptive to changes
Junior employees strive to achieve the goals of the organization.

Others factors that pose as a challenge? Please explain

THANK YOU FOR YOUR TIME.
**APPENDIX III: BUDGET**

<table>
<thead>
<tr>
<th>ITEM DESCRIPTION</th>
<th>AMOUNT (KSHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typing (proposal)</td>
<td>1800/=</td>
</tr>
<tr>
<td>Printing (proposal)</td>
<td>1500/=</td>
</tr>
<tr>
<td>Photocopying</td>
<td>320/=</td>
</tr>
<tr>
<td>Binding</td>
<td>8000/=</td>
</tr>
<tr>
<td>Photocopying (questionnaires)</td>
<td>180/=</td>
</tr>
<tr>
<td>Transport</td>
<td>1800/=</td>
</tr>
<tr>
<td>Internet Cyber Cafe</td>
<td>4,000/=</td>
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<tr>
<td><strong>Estimated Total Expenditure</strong></td>
<td><strong>17,600/=</strong></td>
</tr>
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</table>
## APPENDIX IV: WORK PLAN

<table>
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<tr>
<th>ACTIVITY</th>
<th>EXPECTED TIME OF COMPLETION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gathering information from secondary sources for the research proposal</td>
<td>5 Weeks</td>
</tr>
<tr>
<td>and writing the proposal</td>
<td></td>
</tr>
<tr>
<td>Corrections on the Proposal</td>
<td>5 Days</td>
</tr>
<tr>
<td>Presentation of the Proposal</td>
<td>1 Day</td>
</tr>
<tr>
<td>Corrections prior to data collection</td>
<td>4 Days</td>
</tr>
<tr>
<td>Dropping the questionnaires to target respondents</td>
<td>10 Days</td>
</tr>
<tr>
<td>Picking the questionnaires from the respondents</td>
<td>15 Days</td>
</tr>
<tr>
<td>Data analysis and discussion of results</td>
<td>1 Week(s)</td>
</tr>
<tr>
<td>Process final report</td>
<td>8 Days</td>
</tr>
<tr>
<td><strong>Estimated Duration for the study</strong></td>
<td><strong>12 Weeks</strong></td>
</tr>
</tbody>
</table>