EFFECTS OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE IN THE TELECOMMUNICATION INDUSTRY IN KENYA: CASE OF TELKOM KENYA LIMITED

BY

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DECLARATION

This Research Project is my original work and has not been presented for a degree in any other University

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DEDICATION

This research project is dedicated to my mother Zaina Waithera Hussein and husband Abdulmalik Mohammed Gubi for their love, support both emotional and financial, and encouragement throughout my studies as I juggled between studies, work and family. For that I say thank you.

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ABBREVIATIONS AND ACRONYMS

CCK	Communication Commission of Kenya
CBD	Central Business District
FTG	France Telecom Group
GOK	Government of Kenya
IT	Information Technology
KPTC	Kenya Posts and Telecommunication Corporation
PCK	Postal Corporation of Kenya
RBV	Resource Based View
ROI	Returns on Investment
SPSS	Statistical Package for Social Sciences
TEAMS	The East African Marine Systems
TKL	Telkom Kenya Limited

OPERATIONAL DEFINITION OF TERMS

Imitation Behaviour that arises in a variety of business domains in which firms try to match their competitors in the introduction of new products and processes, in the adoption of managerial methods and organizational forms, and in market entry and the timing of investment.

Innovation Invention in terms of a new product or service, a new production technology, a new operation procedure or a new management strategy to an enterprise.

Learning culture Development of new knowledge with an aim to change behaviour within an organization

Organization Performance The actual output or results of an as measured against its intended outputs (or goals and objectives).

Product re-engineering This is a process that focuses on modification of an existing product in order to optimize its performance by adding new functionalities and taking advantage of emerging technologies.

Strategic alliances Union of firms with an aim of improving or defending their competitive position and gaining advantages

Strategic change management Strategic change management refers to the changes in the content of a firm's strategy as determined by its scope, resource allocations, competitive advantages, and synergy.

Technological adoption The choice to acquire and use a new invention or innovation.

ABSTRACT

The benefit of managing strategic change is to harness people, process and technology to achieve a competitive edge. Management of strategic change is based on the understanding of the processes so that the system design reflects real work practices and delivers user-focused outcomes. It also ensure that people understand and accept changes more readily since they understand where changes may take place in current practice, and the benefits from the change being implemented. Similarly managing strategic change enables an organization to develop an innovative vision for where the company needs to be, and in coming up with an innovative path for achieving excellence in their operations. Telkom Kenya Limited has been implementing various strategic changes in order to increase efficiency and remain competitive in the telecommunication sector. The changes are being managed by instituting technological adoption, strategic alliances, learning culture, and product reengineering. It was therefore important to find out the effect strategic change management practices have on performance at Telkom Kenya Limited. The study sought to find out; the effects of technological adoption, strategic alliances, learning culture and product reengineering on the performance of Telkom Kenya Ltd. The study was guided by The Balanced Score Card Model**,** Change Theory and Resource Based View (RBV) Theory. The study used a descriptive research design. The target population was 207 employees of the company based at the headquarters out of which the researcher will sample 3 top management employees, 9 middle level employees and 30 lower level employees using 20% representativeness. The study used stratified sampling to group the employees into three categories; top management, middle level and lower level management employees. Simple random sampling was then applied in each stratum to select the participants. Primary data was collected using questionnaires and analysed using Statistical Package for Social Sciences (SPSS). Both descriptive and inferential analysis was used to analyse the data. Inferential statistics in form of multiple linear regression model was used to establish the relationship that exists between the strategic change management practices and performance at Telkom Kenya Limited. The study findings indicated that technological adoption is a significant predictor organizational performance (B=0.52, P-value=0.01<0.05). The study also found out that strategic alliances significantly affects organizational performance (B=0.29, P-value=0.01<0.05).This indicated that adoption of strategic alliances is a significant predictor of organizational performance. The study further found that product/service reengineering had significant effect on organizational performance (B=0.17, P-value=0.03<0.05). This indicated that product/service re-engineering is a significant predictor of organizational performance of the company. The findings finally found that learning culture had significant effect on organizational performance (B=0.12, P-value=0.04<0.05). This indicated that learning culture is a significant predictor of organizational performance of the company. The R-squared for the regression model was 0.726. This implies 72.6% of the change in organizational performance of the company is explained by Technological adoption, Strategic alliances, Learning Culture, and Product/service reengineering. The study recommends the management of Telkom Kenya Limited and other sectors of the economy to enhance strategic change management to enhance performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Chapter one presents the background of the study, statement of the problem, purpose of the study, study objectives, research questions, and significance of the study, scope of the study, study limitations and the organization of the study.

1.1Background of the Study

In the current economic and financial crisis knowing the factors that generate success and the ways in which it can be measured has a critical importance (Verboncu & Purcaru, 2009). Performance indicators are designed to provide information on the quality of processes performed within an organization offering support to achieve the objectives on time and within a predetermined budget. An organization in difficulty must be able to identify those measures that enable it to respond effectively to new problems to adapt as quickly as possible to changes in the business environment. Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Thus, many economists consider organizations and institutions similar to an engine in determining the economic, social and political progress. Precisely for this reason, continuous performance is the focus of any organization because only through performance organizations are able to grow and progress.

1.1.1Organization Performance

Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Thus, many economists consider organizations and institutions similar to an engine in determining the economic, social and political progress. Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. Thus, organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance. Organization performance is the fundamental goal of every organization. Organization performance comprises of the actual output or results of the organization as measured against its intended outputs (or goals and objectives). The concept of organizational performance is founded upon the idea that an organization is the intended relationship of productive assets, including human, physical, and capital resources, with an aim of attaining a shared purpose (Barney, 2001). Those availing the assets will only commit them to the organization provided that they are contented with the value they get in return, relative to alternative uses of the assets. As a result, the purpose of performance is value creation. As long as the value created by the use of the contributed assets is equivalent to or greater than the value expected by those contributing the assets, the assets will continue to be availed to the organization and the organization will continue to exist. Thus, value creation, as defined by the resource provider, is significant as the overall performance criteria for any organization.

Performance measurement represents management and control systems that produce information to be shared with internal and external users and it encompasses all aspects of the business management cycle (Nanni, Dixon and Vollmann 1992). Performance can either be financial or non-financial. Financial performance is a measure of the change of an organization's financial status or the financial outcomes that occur as a result from management decisions and the execution of those decisions by members of the organization. Since the perception of these outcomes is contextual, the measures used to represent performance are selected based upon the circumstances of the organization being observed? The measures chosen represent the results attained, either good or bad. Most management research studies focuses on the determinants of performance. Performance as a concept involves measurement of the effects of organizational actions. Some of the financial indicators of performance are; Sales, earning, dividend, bond and credit ratings, cash flow and stock prices. A rise in these indicators is considered a good performance while a drop signifies poor performance

Organization performance can also be non-financial. Oslon, Slater and Hult, (2005) denote that organizational performance is presented in terms of growth in market share, growth in number of employees among others. Growth in number of employees is the most common measure used to measure the success of small firms (Bigsten and Gebreeyesus, 2007). Growth in the number of employees is however used as a measure of performance in cases where there is no financial data is existent. The implicit assumption is that growth in employment size is associated with higher profits (McPherson, 1996). The main justification for relying on employment growth as an indicator of success is that use of other dimensions of success indicators will become more complicated when, for example, firms do not keep complete books of records. Employment growth can also be justified as a conservative measure of firm success because a firm usually employs more labour long after it has realized profit (Parker, 1994). Garoma (2012) argues that owing to its objectivity and ease of obtaining data, many researchers study success using employment growth.

Organizational performance can also be measured non-financially using own perception. According to Garoma (2012), success is a subjective concept and can better be explained by respondents. World Bank (2007) advocated that understanding how people perceive their jobs is an equally key indicator of performance as objective measures. Employees and clients perceptions in this case can be used to measure the performance of organization. In this case, lower satisfaction measures indicate poor performance while high satisfaction levels indicate good organizational performance. Other non-financial measures of performance are; time delivery, brand recognition, position in favourable markets, product quality, level of innovation, manufacturing productivity, yield and resource conservation. Concerning delivery, on time deliveries signifies good performance while delayed deliveries indicates poor performance (Ittner and Larcker 2001). On brand recognition, highly recognized brands indicate that the company owning the brand is performing well while those with poorly recognized brands are regarded as poor performers. Regarding positioning in the markets, firms that suitably positioned in a competitive market signifies that the firm is performing well while those poorly positioned in the competitive markets are regarded as poorly performing. Firms with high manufacturing productivity, low or lack of innovative strategies, poor yields, high wastage of resources, management and employees' incompetence, low working morale, and poor levels of education and training are regarded as poor performers and the reverse is true for good performing firms.

In this study that sought to measure the effects of strategic change management practices on performance of Telkom Kenya Limited, only financial measures of performance were used.

1.1.2 Strategic Change Management

Strategic change management is defined as the changes in the content of a firm's strategy as determined by its scope, resource allocations, competitive advantages, and synergy. The management of strategic change involves fundamental organizational renewal and growth guided by development of strategies, structures and systems. The strategic change management fundamentally requires that people develop not just new skills and knowledge but a whole new way of looking at things. It puts them through a whole internal re-orientation to enable the employees to develop new behaviour and attitudes the change needs (Johnson & Scholes, 2002). Since strategic change largely comprises of the reordering of priorities and the disruption of established relationships, such change tends to be divisive both internally and externally. Buchanan and Boddy (2009) states that modern organizations should aim at uniqueness and superiority in all spheres of their operations, technology, work procedures, goods and services, approaches in the various management functions of planning, organizations, staffing, directing and controlling in order to remain competitive. These changes are only possible through creative and innovative thinking. It is thus important to determine how organizations in the telecommunication industry are managing strategic change as the sector is highly vibrant.

Strategic change entails the difference in the form, quality, or state over time in organization's alignment with its external environment (Van de Ven & Poole, 1995). Strategic change should be industry explicit, functional, flexible, and technically superior to maximize return on investment. Organizations succeed when the strategic change adopted for the circumstances they face are feasible in respect to their resources, skills and capabilities and are desirable to the stakeholders. Strategic change is long term in nature, affects the entire organization and aims at achieving efficiency.

Strategic change management is very vital universally and it is influenced and affected by various internal and external factors, positively or negatively (Rose & Lawton, 1999). For strategic change ingenuities to succeed, managers should take into account external factors such as legal, competitive, technical, social, political and economic factors, and internal factors such as structure, culture, internal power, time, skills, history, scope, readiness and resource availability. Internationally, many firms are presently undergoing strategic change to adapt to the new market environment in order to retain their market share and improve their profitability. The strategic change programmes result from organized management strategies such as culture change, business process engineering, empowerment and total quality. Other strategic change initiatives are driven by the need for organizations to shift themselves in the face of changing competitive conditions. Strategic change often includes drastic changes within an organization and covers strategy, structure, systems, processes and culture (Kazmi, 2002). The track record of success in bringing about strategic change within most organizations has been poor in most organizations since many fail to grasp that they are performing an implementation which actually means turning plans into reality rather than formulation.

Most organizational managers today would agree that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Reforms in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a noteworthy effect on the processes, products and services produced. The culmination of these forces has created an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnes, 2004).

1.1.3 Telecommunication Industry in Kenya

The telecommunication industry in Kenya, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital - much of it originating from private sector participants. The result is new markets, new players, and new challenges including staff restructuring which may cause dissatisfaction as changes caused by market liberalization. Market liberalization efforts have also picked up ensuring the successful partial privatization of Telkom Kenya Ltd (December 2007), divestment of GoK’s 25% stake in Safaricom Ltd through a public listing (May 2008), and the launch of fourth mobile operator Econet Wireless Kenya (November 2008). This has resulted into some of the world’s best known telecommunication providers Vodafone, Bharti International/ Airtel, France Telecom, and Essar Communications through their investments in Safaricom Limited, Telkom Kenya Limited and Econet Limited respectively being major players in the Kenyan market. Ongoing infrastructural developments by operators have largely been focused on network expansion for increased nationwide coverage (Price Waterhouse Coopers, 2009-2012).

1.1.4 Telkom Kenya Limited

Telkom Kenya Limited was incorporated in Kenya, under the Companies Act (Cap 486) in 1999. The company started operations in July 1st 1999 and was wholly owned by the Government of Kenya (GoK). In December 2007, the Government invited a strategic equity partner through a transparent privatization exercise, in which France Telecom Group (FTG) acquired 51% stake of TKL. France Telecom Group (FTG) is one of the world's leading telecommunications carriers, with over 153 million customers, across five continents serving 220 countries and territories (Telkom Kenya, 2012). The partnership has enabled TKL to make major investments in the network and services offered which enabled Kenyans to enjoy world class telecom services. The partnership with FTG, which has an extensive global connectivity and participation in the TEAMS submarine cable position Kenya as a regional internet hub and digital gateway for East and Central Africa. In line with this, the company is evolving into a next generation network service provider enabling the company to enhance its efficiency and productivity while providing enriched products and services.

The company is licensed to provide and operate telecommunication facilities and services by the Communication Commission of Kenya (CCK) under the provisions of the Kenya communications Act, 1998. It is Kenya's leading integrated Information and Communications Technology (ICT) Company, offering a comprehensive range of communication services and solutions in broadband, data, GSM and fixed-line. As a market leader in the broadband and fixed-line businesses, TKL is driven to deliver value to its stakeholders in a highly competitive environment. The Company places emphasis on continuing customer service quality enhancements and innovations.

TKL is currently engaged in the business of establishment, maintenance and provision of telecommunication and related services to the entire Kenyan population. The company is developing innovative solutions and communications services designed for businesses in Kenya. The company work in all business market; small businesses, local authorities, and multinationals and provide voice, data and mobile services, along with information system expertise and managed services, that are all designed to transform business processes and improve productivity (Telkom Kenya, 2012).

The company is jointly owned by the Government of Kenya with a share of 49% and France Telecom Group as a strategic equity partner who owns 51%. It is expected that TKL will sell approximately 26% of its shares in a future floatation at the Nairobi Stock Exchange. The company has three subsidiaries engaged in the provision and production of telecommunication services and products. These subsidiaries are Gilgil Telecommunication Industries (GTI), producing a range of electronic and construction equipment used in telecommunication network, Jambo Telkom Limited, which operates as an Internet Service Provider (ISP), and Postal Directories, in which Telkom has a 40% shareholding, while 60% is held by the joint venture partner (Telkom Kenya, 2012).

The brand name of the company is Orange. The company has been implementing various changes in order to increase efficiency and remain competitive in the telecommunication sector. The changes which have taken place at Telkom Kenya Ltd. Include new technological adoption (fibre services, audio/ web conferencing and video conferencing), promoting learning culture, product reengineering (revising calling and SMS rates), forming strategic alliances (Mobicom and M-banking) and imitation (bulk SMS and fibre connectivity). The company has also changed its organization structure, its strategic focus, its employee size and composition and also its management orientation. The changes have been brought about by competition, market liberalization, technological advancements and changing customer demands. The challenges faced by Telkom Kenya in implementing changes include stiff competition in the telecommunication sector, dynamism of the telecommunication industry, politics and technological advancement (Telkom Kenya Limited, 2012).

1.2 Statement of the Problem

Organization performance is the fundamental goal of every organization. This is because, it is only through performance that organizations are able to grow and progress. The concept of organizational performance is founded upon the idea that an organization is the intended relationship of productive assets, including human, physical, and capital resources, with an aim of attaining a shared purpose (Barney, 2001).

Telkom Kenya Limited, being a key player in the telecommunication sector has been one of the companies experiencing low performance. The Communication Authority of Kenya fourth quarter sector statistics report for the financial year (2015) revealed that Telkom Kenya Limited experienced a decline in the total number of fixed lines from 202,961 to 87,774. This drop represents a 56.3 per cent drop when compared to that registered during the previous financial. This has led to the dismal performance of the company as a whole and that is why Safaricom still leads by a huge margin with 67% market share as compared to Telkom's less than 15% market share.

To enhance performance, the company has been implementing various strategic management practices in order to increase performance. The company has adopted new technologies such as fibre connectivity, undersea cables connectivity among other new communication technologies. The company has lowered its rates, formed alliances, innovated and reengineered its products and services, all in efforts to improve performance. It has initiated and implemented a learning culture. The company has also changed its organization structure, its strategic focus, its employee size and composition and also its management orientation. However, despite these change, the performance of the company is still low and way below expectations. This raises the question whether these changes are effectively managed and the effect the change management practices have on the performance of the company. It is therefore important to find out the effect of strategic change management practices on performance at Telkom Kenya.

A number of local studies have been done on the telecommunication industry: Njoki (2013) used a case study design to study the management of strategic change at the Telkom kenya limited and found that the strategic change management practices adopted by Telkom Kenya Limited included: scientific methodology for managing planned change; diagnosis, analysis, feedback, action and evaluation; unfreezing the status quo, movement to a new state and refreezing the new change to make it permanent; systematic collection of data and selection of a change action based on analysis. Ochola (2013) carried out a study on outsourcing strategies adopted by telecommunication vendor companies in Kenya and found that the participating companies were all in full agreement regarding the benefits that outsourcing gave their productivity and overall business operations. Wambui and Gachunga (2016) carried out a study on the Influence of organizational restructuring on performance of telecommunication industry and found that Business re-engineering had the strong positive (influence on performance of telecommunication industry. In addition, downsizing, rightsizing and down scoping were positively correlated to performance of telecommunication industry. Kituu (2013) conducted a study on strategic planning practices by firms in the telecommunication sector in Kenya and found that various strategic planning practices are applied in all the firms and are used as guide to the departmental roles within the firms. Omae, Kibet and Ndung'u (2015) conducted a study on mobile subscription, penetration and coverage trends in Kenya's Telecommunication Sector. They study found out that there has been significant growth in telecommunication sector particularly in the use of mobile telephony.

However none of these studies have focused on the effects of strategic change management practices on the performance of the telecommunication companies particularly Telkom Kenya Limited. It is this knowledge gap that this research south to bridge by carrying out a study on the effects of strategic change management practices on performance of Telkom Kenya Limited at Telkom Kenya headquarters, Telkom plaza.

1.3 Objectives of the Study

The general purpose of this study was to study the effects of strategic change management practices on performance in the telecommunication industry in Kenya: a case of Telkom Kenya limited.

1.3.1 Specific Objectives

This study was guided by the following research objectives:

(i) To determine the effect of technological adoption on the performance at Telkom Kenya Ltd.

(ii) To establish the effect of strategic alliances on performance at Telkom Kenya Ltd.

(iii) To determine the effect of learning culture on the performance at Telkom Kenya Ltd.

(iv) To find out the effect of product re-engineering on the performance at Telkom Kenya Ltd.

1.4 Research Questions

The study was guided by the following research questions

i. What is the effects of technological adoption on the performance at Telkom Kenya Ltd?
ii. What is the effect of strategic alliances on performance at Telkom Kenya Ltd?
iii. What is the effect of learning culture on the performance at Telkom Kenya Ltd?
iv. What is the effect of product re-engineering on the performance at Telkom Kenya Ltd?

1.5 Significance of the Study

The study findings are significant in various ways;

1.5.1 Policy Makers

To the company policy makers, the study generates important information that can be useful for policy implementation towards effective change management that can promote high performance. Managers of the company and other telecommunication service providers in Kenya and the region can benefit from the study on how to make future strategic changes, how to manage the changes and the effect on the change management practices on performance. The study can also benefit Kenyan Government's ministry of information and communication in policy making that can enhance the present playing ground in the telecommunications sector

1.5.2 Employees

This study will be important to the employees. Through the findings, they will become aware of the effect of the various strategic change management practices implemented in the organisation and they will be in a position to appreciate their roles in the organization and their contribution in relation to their performance in the change management.

1.5.3 Researchers and Academicians

The study can be beneficial to the researcher and academicians in pursuit of knowledge. The study also adds knowledge and can be a good basis for further studies on strategic management practices in telecommunication organizations or any other organization anticipating change

1.6 Scope of the Study

The study sought to investigate the effects of strategic change management practices on the performance of Telkom Kenya Ltd. The study only focused on the effects of technological adoption, strategic alliances, learning culture, and product re-engineering on the performance of Telkom Kenya Ltd. The study was carried out only at Telkom Kenya limited headquarters located at Telkom plaza. The participants of interest in this study were the top level management employees, the middle level and the lower level employees whereby 3 top management employees, 9 middle level employees and 30 lower level employees were included in the study. The study employed a descriptive research design. Stratified random sampling was used to stratify the target population to various levels. Within the levels, simple random sampling was used to select the participants. Questionnaires were used to collect data. The study used a drop a pick later method whereby the participants were given enough time to fill the questionnaires.

1.6.1 Inclusion Criteria and exclusion criteria

The respondents of interest must either be top level, middle level and lower level. Only those employees who had worked in the company for more than one year will be included in the study.

1.7 Study Limitations

The study was faced by various limitations. First, the middle and lower level employees were reluctant to give responses due to fear of intimidation and victimization by the top management. The researcher took time to assure the participants of their privacy and confidentiality of their feedback. The top management were also reluctant to give data pertaining to organizational performance. The research assured them that the study was purely academic and the data given would be treated with confidentiality and used only for academic purposes. The study was also limited by time. Due to the normal running of the company's operations, the participants did not have enough time to fill the questionnaires and data collection. This was mitigated by giving them more time to fill the questionnaires.

1.8 Organization of the Study

This research report was structured as follows: Chapter one provides the research background, statement of the problem, research objectives, and significance of the study, scope, and the limitations encountered in the course of the study. Chapter two presents the theoretical framework of the study, literature review on the effect of strategic change management practices on organizational performance and a conceptual framework of the study. Chapter three deals with the methodology employed in the study. The study findings and their interpretation are presented in chapter four while chapter five presents the summery of the findings, conclusions and the recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review of the study. It seizures the theoretical framework of the study, the empirical framework and the conceptual framework of the study. It also presents the summery of the literature review and research gaps.

2.2 Theoretical Review

2.2.1 Change Theory

Studies using this model have indicated that the change process undergoes a set of phases. Each phase takes certain duration of time and failures at any phase can affect the success of the change. Kotter’s model is an eight step approach to change management.

Change means doubt about what the future looks like. Uncertainty makes people uncomfortable. Furthermore, people tend to mistrust things about which they are not certain about. That is the reason people avoid change. To inspire people to support change according to Kotter (1996), a sense of urgency must be created. According to Kotter (1996) to counteract resistance, one alternative is to form a powerful alliance of managers to work with the most resistant people. A working plan is a requirement for any change to occur. It is not possible to get things done without a certain plan of action. Change is much simpler if there is a clear plan in place. Building a vision and the plans for attaining the vision will help accelerate the change (Kotter, 1996). If people are not aware that change is coming or has taken place, they are more likely to resist the change. Considering the fact that people tend to prefer the status quo and are hesitant about new experiences, they must be inspired to change.

The first phase of Kotter’s theory is establishing a sense of urgency. Change typically starts with some people realizing susceptibility in the organization. The risk of losing ground in some way spurs these people into action, and they therefore attempt to communicate that sense of urgency to the rest. Kotter holds that most companies he has observed have never been able to generate enough urgency to prompt action. The second phase of Kotter theory is forming a powerful guiding coalition change. Efforts often start with just one or two people, and should grow continually to include more and more who believe the changes are necessary. The need in this phase is to collect a large enough initial core of supporters of the change. Regardless of size of the organization, the administrative coalition for the change process requires to have more people leading the effort. This administrative coalition helps in bringing other people on board with the new concepts and ideas. Involving the key leaders in this coalition will bring benefits to the organization. The third phase of Kotter's theory is creating a vision.

Effective change rests on a picture of the future that is comparatively easy to communicate and appeals to clients, stockholders, and employees. A good vision assists in clarifying the path in which an organization needs to follow. It helps spark motivation, keep all the projects and reforms aligned, and provide a filter to evaluate how the organization is doing (Black and Gregersen, 2002). The fourth phase is communicating the vision. Kotter proposes that management should approximate how much communication of the vision is required. The bottom line is that a change effort will not succeed if most of the people apprehend, appreciate, commit and attempt to make the effort happen. The fifth phase of Kotter's theory is empowering others to act on the vision. This involves various actions. In this phase, people are to start acting in the new ways and to make transformation in their areas of involvement. This phase also involves allocation of budget money to the new initiative. In this phase, the key people are offloaded the previous responsibilities in order for them to concentrate on the new effort. Any obstacles to change are removed. The sixth phase of Kotter's model is planning for and creating short-term wins. In fruitful transformation, leaders actively plan and attain some short-term gains which people will be able to see and celebrate (Rose & Lawton, 1999). This delivers enough proof that their efforts are working, and motivates the change to keep moving on. Commitments to yield short-term gains help keep the urgency level up and force detailed analytical thinking that can clarify or revise visions.

The seventh phase of the model is consolidating improvements and keeping the momentum for change. According to Kotter, victory should not be declared too soon until the changes are fully realized. It is worth noting that, a premature declaration of victory kills momentum, allowing the powerful forces of tradition to regain ground. Leaders of successful efforts use the feeling of victory as the motivation to delve more deeply into their organization, explore changes in the basic culture, expose the systems relationships of the organization which need tuning, and move people committed to the new ways into key roles (Moran & Brightman

(2001). The last phase is institutionalizing the new approaches in the final analysis. Two factors are particularly important for doing this. First, a conscious attempt to show people how the new approaches, behaviours, and attitudes have helped improve the life of the organization. People have to be helped to make the connections between the effort and the outcome. The second is to ensure that the upcoming leaders believe in and embody the new ways.

The theory of change will be used to shed light on how companies embrace and facilitate strategic changes in efforts to boost organization performance.

2.2.2 Resource Based View (RBV)

The Resource Based View theory was developed by Barney's (1991). The RBV framework combines the internal (core competence) and external (industry structure) perspectives on strategy. Resources are more broadly defined to be physical (property rights, capital), intangible (brand names, technological knowhow), or organizational (routines or processes like lean manufacturing). The resource based perspective of firms is based on the concept of economic rent and the notion of an organization as a collection of capabilities (Kay, 2000). Whereas traditional strategy models focus on the organization's external competitive environment, the RBV accentuates the need for a fit between the external market context in which a firm operates and its internal capabilities. From this perspective the internal environment of an organization, in terms of its resources and capabilities, is the critical factor for the determination of strategic action.

The RBV can be depicted as an "inside out" process of strategy formulation. A central thrust is the contribution of core competencies as strategic assets, which will be the continuing source of new products and services through whatever future developments may take place in the market, which by their nature, are not known (Connor, 2002).

The emphasis of the RBV approach to strategic management decision-making is on the strategic capabilities as basis for superiority of the firm rather than attempting to constantly ensure a perfect environmental fit. Resources are the specific physical, human, and organizational assets that can be used to implement value-creating strategies. Capabilities present the capacity for a team of resources to perform a task or activity, in other words, capabilities present complex bundles of accumulated knowledge and skills that are exercised through organizational processes, which enable companies to coordinate their activities and make use of their assets (Ekundayo & Ajayi, 2009).

According to Clegg, Kornberger, and Pitsis, (2011), capabilities are always vulnerable to be competed away by a competitor's higher order capability amongst other limitations such as erosion or substitution. Intangible assets are central to the RBV approach to understanding competitive advantage since they cannot easily be acquired or imitated, in contrast to tangible assets. Gathoga (2011) identified the relevant intangible assets as know-how, product reputation, culture and networks as main contributing factors to the overall success of a firm. Thus, the asymmetric performances between heterogeneous companies are very much driven by the intangible strategic assets.

Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers, (Ogbonna & Harris, 2003). The new lines of institutional thinking answer this question and establish a point of connection with the resources-based view.

The Resource based view theory can be used to explain how companies achieve competitiveness through innovatively delivering better quality to customers, they focus on the strategic identification and use of resources for developing a competitive advantage. In the current study, the theory will be used to explain how Telkom Kenya Limited has achieved competitiveness through strategic identification and use of resources. The resource based view gives this study a basis for appreciating strategic change capabilities and how they relate to intermediary performance. It proceeds to argues that firms possess some resources that enable them to achieve superior long-term performance. Valuable and rare resources can lead to the attainment of competitive advantage whose sustenance over a long time can protect a firm against resource imitation, transfer, or substitution.

2.2.3 The Balanced Score Card Model

The balanced scorecard model was developed by Drs. Robert Kaplan and David Norton as a performance measurement framework that added strategic non-financial performance measures to the traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. It has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. The new balanced score card transforms an organization`s strategic plan from an attractive but passive document into the marching orders for the organization on a daily basis. It provides a framework that not only provides performance measurements but helps planners identify what should be done, measured and executed (Kaplan and Norton, 1996).

With growing interest in improving performance management in organizations, the balanced score card can be a valuable tool that meets the need for improvement and change especially for companies venturing into very competitive or monopolistic market. It is a customer based planning and process improvement system with its primary focus on driving an organization`s change process by identifying and evaluating pertinent performance measures. It is an integral part of the mission identification, strategy formulation and process execution, with an emphasis on translating strategy into a linked set of financial and non-financial measures (Chan, 2004).

According to Becker (2011), developing a world class performance measurement system hinges on a clear understanding of a firm`s competitive strategy, operational goals and a definitive statement of the employee competencies and behaviours required to achieve the firm`s objectives. Measurement systems can create value only when they are carefully matched with the firm`s unique competitive strategy and operational goals. Performance measures should be related to the strategic goals and measures that are organizationally significant and drive business performance, be relevant to the objectives and accountabilities of the individuals concerned, focus on measurable outputs, accomplishments and behaviours that are clearly defined and for which evidence can be made available. There must be indication of data that will be made available for measurement which must be verifiable, precise, available and comprehensive, that is, covering all aspects of performance. Effective performance is measured not merely by delivery of results in one area but by delivering satisfactory performance across all measures (Armstrong, 1998).

The BSC combines both qualitative and quantitative measures of performance. According to Kaplan and Norton (1996) the balanced scorecard is an asset of measures that gives top managers a fast but comprehensive view of the business and it compliments financial measures which tell the results of previous actions, with operational measures which are the drivers of future financial performance. According to Kaplan and Norton (2004) the BSC measures a business performance from four perspectives. There is the financial perspective which has the financial measures to assess how the company looks to shareholders and the measures here include ROI, Cash flows, Organizational profitability, sales backlog and profit forecast. The customer perspective helps assess the company performance in the eyes of the customers and include customer ranking survey, customer satisfaction, market share and price index. The third perspective is the intended operational measures that are used to assess how well the company is doing on the business processes that impact on customer service. The last perspective is innovation and learning, which assess if the company is continuously improving and this measures include the revenue per employee, percentage revenue from new service, rate of improvement index, staff attitude survey and or number of employee suggestions.

The score card approach is important in performance evaluation in organizations. The key to the popularity of the scorecard may lie in its flexibility and adaptability. Whether for commercial organizations, governed by profits, public sector operations governed by service delivery, or not-for-profit organizations driven by commitment to a particular cause, a scorecard that improves performance (either through performance measurement, or via strategy refinement), can be developed (Olson and Slater 2002).

2.3 Empirical Review

2.3.1 Effect of Technological Adoption on Performance

Organizational sustainability and technological changes are threatening business and modern management faces many challenges (Drucker, 1985). Organizations are continually under competitive pressures and are forced to re-evaluate and come up with new innovations. Organizations tend to adopt the technology if the consistency with their culture, values, preferred work practices and the availability of the infrastructure. Geographically, organization that has international or global orientation will accelerate the adoption process of technology. The global scope enables the cost efficiency to get the new market, new customer and the distribution of goods and services and also to improve the coordination between suppliers and business colleagues. New technologies adoption needs resources.

In a company, the most important resources to adopt the new technology consist of finance, human and technology resources (computers, telephone lines, cables, etc.). The management of the flow of technological information is a crucial part of an organization's capacity to innovate (Cohen & Levinthal, 1990) and leads to suitable and effective generation of ideas. Moreover, Koc and Ceylan (2007) consider that if companies wish to become and remain innovative, they should pay special attention to variables as technology strategy, quality of ideas, as well as technology acquisition and exploitation. The conversion of technical ideas into new business, products or services can be based on the understanding of the synergies and interactions between the various knowledge possessed by the firm, their technologies, their organizational learning process, and their internal organization (Guadamillas, Donate, & Sánchez de Pablo, 2008).

2.3.2 Effect of Strategic Alliances on Organizational Performance

The long term aim of firms in competitive markets is improving or defending their competitive position and gaining advantages over competitors (Barney, 2002). Organizations form alliances In order to gain advantages over their competitors. Thus, organizations seeking alliances always seek partners who will assist them create value for customers at lower costs. Strategic alliances may occur in various forms (Coopers & Lybrand, 1997). The types of alliances they identified for instance are joint marketing/promotion, joint selling/distribution production, design collaboration, technology licensing and research and development contracts

The benefits of an alliance, as compared with a single firm, rely on the need for integration among parts of the value chain and the need for scale and specialization in each of the parts (Chesbrough and Teece, 1996). With regard to this, firms form alliances depending on their needs at that time or according to future considerations. The aims for forming alliances help in determining the partners to form alliances with and hence the type of alliances to form. According to Button, Hynes and Stough (1998), there are various possible reasons for alliance formation. These reasons are cost savings, market penetration and retention, financial injection, infrastructure constraints, circumventing institutional constraints and market stability.

Mergers and acquisitions have been the apparent route for Western companies aiming to capture shares in the highly developing economies of Russia, Brazil, India, and China, as well as newer economies in the extensive Asia, the Middle East, and Africa (Yuk 2013). This recent trend has largely been used by Western companies in order to enter and to penetrate new markets.

There is evidence suggesting organizations forming alliances experiences enhanced organizational performance (Nielsen & Lee Gorzen, 2007). A broad stream of research claims that cooperation is an interesting organizational model, regardless of the conditions of the industry and the environment. Perry (2004) found a positive significant correlation between participation in strategic alliances and business performance. Tebrani (2003) concludes that using strategic alliances enhances performance irrespective of the type of competitive strategy used, the country of origin, or the industry in which the alliances are formed.

Camison (2007) carried out a study on the effect of participation in technological strategic alliances on business performance by considering the knowledge-based distinctive competencies as an intervening variable using a sample of Spanish firms. Findings from their findings prove that the relationship between strategic alliances, and performance is mediated by the generation of knowledge-based distinctive competencies; and that the contribution of the participation in alliances to the growth of the firm's knowledge stock depends on its creation of innovation competencies. Jabar, Othman and Idris (2011) carried out a research study on the Malaysian manufacturing relationship between organizations' resource availability and absorptive capacity as well as type of alliances with organizational performance. The findings indicated that alliance forming is a factor to consider in order to improve capabilities and performance.

This implies that firms planning to enhance their performance should consider alliances with other firms. More companies today are forming alliances in order to improve the performance. Ibrahim (2011) recognized an effective Strategic alliance in USA between Starbucks and Kraft companies whereby the alliance clearly enabled the companies to have a better market penetration, brand recognition and profitability for both partners hence the development of competitive advantage. Euro-monitor International (2011) denoted that firms in Korea used strategic alliances to extend their business scope look for new sales drivers to curb saturation, along with saving time and costs.

Umar (2005) explored the impact of strategic management as a tool of achieving an effective and efficient merger and acquisition at Nestle and Lever Brothers PLC. Based on the findings of the study, it was study concluded that strategic management played a very important role in the success, growth and survival of the company, particularly where merger was concerned.

In Kenya, strategic alliances are gaining ground. For in the supermarket sector, The Massmart of South Africa is negotiating a deal with Naivas supermarket for a bid (Herbling, 2013). The alliance formation is also evident in the banking sector in the country and realized some benefits. The alliances by these firms are seeking entry into new markets hence increasing competition.

2.3.3 Effect of Learning Culture on Organization Performance

Organizational learning refers to the development of new knowledge and has the potential to change behaviour within an organization (Slater & Narver, 1995). It is a time-honoured process that encompasses changing individual and organizational behaviour (Murray & Donegan, 2003). Firms that have a strong learning culture are good and efficient at developing, acquiring and transferring knowledge, as well as at transforming behaviour to reflect new knowledge and insight (Garvin, 1993). Therefore, organizations stressing organizational learning culture (OLC) must first get information, interpret it to fully understand its meaning and change it into knowledge. At the same time, they must implement behavioural and cognitive changes in order for the acquired knowledge to be actualized into real actions. According to Jones (2000), organizational learning is very vital for organizational performance. He stresses that it is through organizational culture that managers try to increase organizational members' capabilities in order to well understand and manage the organization and its environment. Dimovski (1994) gave an overview of four different perspectives on organizational learning. His came up with a model to merge interpretational, informational, strategic and behavioural approaches to organizational learning and stresses that it through learning that information is acquired, interpreted and results to behavioural and cognitive changes which in turn have an effect on innovativeness.

Organizational learning culture is very crucial when trying to enhance innovativeness. Organizational learning enhances the innovative capability of an organization and firms can only innovate if they develop an effective learning culture (Alegre & Chiva, 2008).

2.3.4 Effect of Product Reengineering on Organizational Performance

Product re-engineering focuses on modification of an existing product. The objective of re-engineering a product is to optimize its performance by adding new functionalities and taking advantage of emerging technologies (Lamb, Hair, and McDaniel, 2004)**.** The re-engineering effort can be for a new business need, upgrading legacy applications or for keeping pace with competitors. Product reengineering can be achieved through imitation, differentiation and innovation.

Imitation is a common form of behaviour that arises in a variety of business domains Schnaars 1994). Firms imitate each other in the introduction of new products and processes, in the adoption of managerial methods and organizational forms, and in market entry and the timing of investment. Despite its frequent occurrence, imitation can occur due to various causes and implications. Firms may adopt imitation to avoid falling behind their competitors, or because they believe that others' actions convey information (William, 1992). The matching of rivals' actions can increase competition, or have the opposite effect by promoting collusion. Imitation can cause productive innovation, or amplify the errors of early movers. Therefore, imitation can result to large positive or negative results for individual firms and society as a whole. Given the frequency of imitative behaviour and the fact that societal outcomes are often negative, it is important that business researchers, managers and policy makers understand why imitation occurs and its effects.

Imitation processes are most exciting in uncertain and ambiguous environments. Few decisions have results that are completely probable. Managers take actions whose outcomes rely upon the future state of the environment. For example, in the case of introduction of a new product, such a state would correspond to a certain level of cost of production, customer demand and degree of competition At a minimum, most decisions are made under conditions of risk, where the probabilities of environmental states can be predictable, but the actual result is uncertain (Knight, 1921). Managers are often faced by more severe forms of uncertainty. They may be unable to assign probabilities, they may lack information on cause-effect relationships in addition, and they may be unable to assess the full variety of possible results and states (Milliken, 1987).

Environmental uncertainty and ambiguity makes it hard for managers to predict the outcomes of a given action or behaviour. Environmental uncertainty encourages particular types of imitation and raises the likelihood of detrimental results. In cases where the imitated behaviour is complex, there may be extra uncertainty on the means used by a leading firm to acquire superior outcomes. Imitation of superior products, processes and managerial systems is to a wider extent documented as a crucial part of the competitive process. Such imitation tends to lower the innovator's profits while on the other hand generates broader gains in economic welfare as prices and costs fall. Furthermore, it is broadly recognized that when network externalities results to standards, firms imitate to lower costs (Katz and Shapiro, 1985). In the absence of uncertainty, such types of imitation are comparatively straightforward and well understood. In highly unpredictable environments, imitation can be dysfunctional and can result to waste of resources in duplicative investments. In environments where change is more incremental, imitation can diffuse rivalry and reduce risk for any given firm. Knowledge that rivals will respond in kind lowers the incentive for any individual firm to act aggressively in an effort to gain competitive advantage. In the extreme, such imitation can be anticompetitive.

Innovation is another method of improving the existing product. An innovation can be in terms of a new product or service, a new production technology, a new operation procedure or a new management strategy to an enterprise (Lu, 2002). Innovations have always been vital for the organizations' long-term survival and growth and currently play even more critical role in the company's future to follow the rapid pace of markets' evolution.

A real innovative firm must have a strong culture that inspires the engagement in creative and innovative behaviour. Innovativeness consist of two builds namely innovations and innovative culture. The capacity of an organization to innovate is among the most key factors that affect business performance (Hurley & Hult, 2004). According to Banbury & Mitchell (1995) hold that innovativeness offers flexibility for firms to choose various options to cater for and satisfy their customers on a sustainable basis so that this will create a basis for the survival. Innovativeness as a process turns opportunities into practical use as argues by Tidd, Bessant, & Pavitt (2005) and is such only when it is really embraced in practice. Through innovativeness, organizations are able to interact both with customers and suppliers and with knowledge institutions (Freeman, 1987). Innovation has been identified as a key element of dynamic competence and competition of markets. Generally, innovators have the capacity to grow faster, be more efficient and more profitable than non-innovators (Mansury & Love, 2008). Due to this, innovativeness is a competitive apparatus that is crucial for firms' long-term success and survival (Deshpande, Farley, & Webster, 1993).

Firms with greater capability for innovation acquire better responses from the environment and obtain more easily the capabilities necessary to increase organizational performance and consolidate a sustainable competitive advantage (Calantone, 2002). It is therefore necessary to enhance the innovative culture of the enterprise in order for all its members to search new products, services or processes. For realistic innovativeness, it is necessary for enterprises to have high levels of creativity (Cohen & Levinthal, 1990). Creativity is necessary for firms to resolve problems associated with knowledge generation and absorptive capacity. It is through creativity that appropriate ideas, products, processes, or solutions are realized.

Various studies have been done to explore the effect of innovation on performance. Using World Bank ICS data from Brazilian manufacturing firms, a study by Goedhuys and Veugelers (2008) identified innovation strategies of firms in particular internal technology creation and external technology acquisition and their effect on successful process and product innovations. The study used the World Bank's Investment Climate Survey (ICS) data collected in Brazil in 2003. The survey collected data for the period 2000, 2001 and 2005, through intensive interviews of firms while analysis was done through Chi-square test, bivariate probit for significance in correlation. The results indicated that innovative performance is an important driver for firm growth in particular the combination of product and process innovations that significantly improves firm growth.

Product differentiation is another method that firms use in order to enhance their competitiveness. This is a positioning strategy that many firms use to differentiate their products from those of competitors. (Lamb, Hair, and McDaniel, 2004)**.**Product differentiation is pervasive in markets. Firms differentiate their products to avoid devastating competition in prices. Representative consumer, discrete choice, and location models are not necessarily inconsistent, but performance depends crucially on the degree of location of competition. A company's product may be highly differentiated on features that are not offered by competitors in the same sector. Some also differentiate their products on performance with basis on power, professional credibility etc. On the other hand companies may differentiate their products on qualities such as innovation, consistency, durability, reliability and reparability. In addition to differentiating the product, some companies also differentiate the image of the product. The established image should convey a singular and distinguished message that will communicate the product's main benefit and positioning.

Various studies have been done on the effects of differentiation strategy on performance. A study by Murage (2011) focused on the competitive strategies in the petroleum industry in Kenya and found that service stations use differentiation as a method of obtaining competitive advantage over other service stations. Owiye (1999) argued that competitive strategies will be vital to a firm while developing its fundamental approach to attaining competitive advantage (low price, differentiation, niche), the size or market position it plans to achieve, and its focus and method for growth. Research by Kim, Nam and Stimpert (2004) concluded that integrated strategies combining elements of cost leadership and differentiation result in higher performance than cost leadership or differentiation do individually.

2.4 Summery of the Literature Review

Camison (2007) conducted a study on the effect of participation in technological strategic alliances on business performance and found that that the relationship between strategic alliances, and performance is mediated by the generation of knowledge-based distinctive competencies; and that the contribution of the participation in alliances to the growth of the firm's knowledge stock depends on its creation of innovation competencies. Jabar *et al.* (2011) carried out a study on the relationship between organizations' resource availability and absorptive capacity as well as type of alliances with organizational performance. The findings show that alliance forming is a factor to consider in order to improve capabilities and performance. Ibrahim (2011) conducted a study on the assessment of Strategic alliance in USA between Starbucks and Kraft companies. The findings showed that the alliance clearly enabled the companies to have a better market penetration, brand recognition and profitability for both partners hence the development of competitive advantage.

Umar (2005) conducted a study on the impact of strategic management as a tool of achieving an effective and efficient merger and acquisition. The findings showed that strategic management plays a very important role in the success, growth and survival of the company, particularly where merger was concerned. Goedhuys and Veugelers (2008) carried out a study on the innovation strategies of firms in particular internal technology creation and external technology acquisition and their effect on successful process and product innovations. The findings showed that Innovative performance is an important driver for firm growth in particular the combination of product and process innovations that significantly improves firm growth.

Murage (2011) did a study on the competitive strategies in the petroleum industry in Kenya. The findings indicated that Service stations use differentiation as a method of obtaining competitive advantage over other service stations. Owiye (1999) did a research on competitive strategies and competitive advantage. The findings indicated that competitive strategies are vital to a firm while developing its fundamental approach to attaining competitive advantage. Kim, Nam and Stimpert (2004) studied the effect of integrated strategies on performance. The findings indicated that Cost leadership and differentiation result in higher performance.

2.5 Summary of the Research Gaps

Table 1: Summary of the research gaps

Author & Year	Focus of the study	Findings	Research gaps	Focus of the current study
Njoki (2013)	The management of strategic change at the Telkom Kenya limited	Telkom Kenya has adopted diverse strategic change management practices to ensure that they managed change in the company systematically and ensure a smooth transition of the company would be achieved.	The study only identified the strategic change practices, Effects of strategic change management practices were not studied	The study focused on the effects of strategic change management practices
Ochola (2013)	Outsourcing strategies adopted by telecommunication vendor companies in Kenya	The participating companies were all in full agreement regarding the benefits that outsourcing gave their productivity and overall business operations	The research did not study the effect of strategic change management practices on performance.	The study focused on the effects of strategic change management practices.
Wambui and Gachunga (2016)	The Influence of organizational restructuring on performance of telecommunication industry	Business re-engineering had the strong positive (influence on performance of telecommunication industry. In addition, downsizing, rightsizing and down scoping were positively correlated to performance of telecommunication industry	Only restructuring strategy was studied. Technological adoption, product reengineering, learning culture, and strategic alliances were not studied.	The study focused on the effect of technological adoption, product reengineerin g, learning culture, and strategic alliances.

Kituu (2013).	Strategic planning practices adopted by firms in the telecommunication sector in Kenya	various strategic planning practices are applied in all the firms and are used as guide to the departmental roles within the firms	Only strategic planning practices were studied. Effects of strategic change management practices were not studied	The study focused on the effect of technological adoption, product reengineering, learning culture, and strategic alliances.

2.6 Conceptual framework

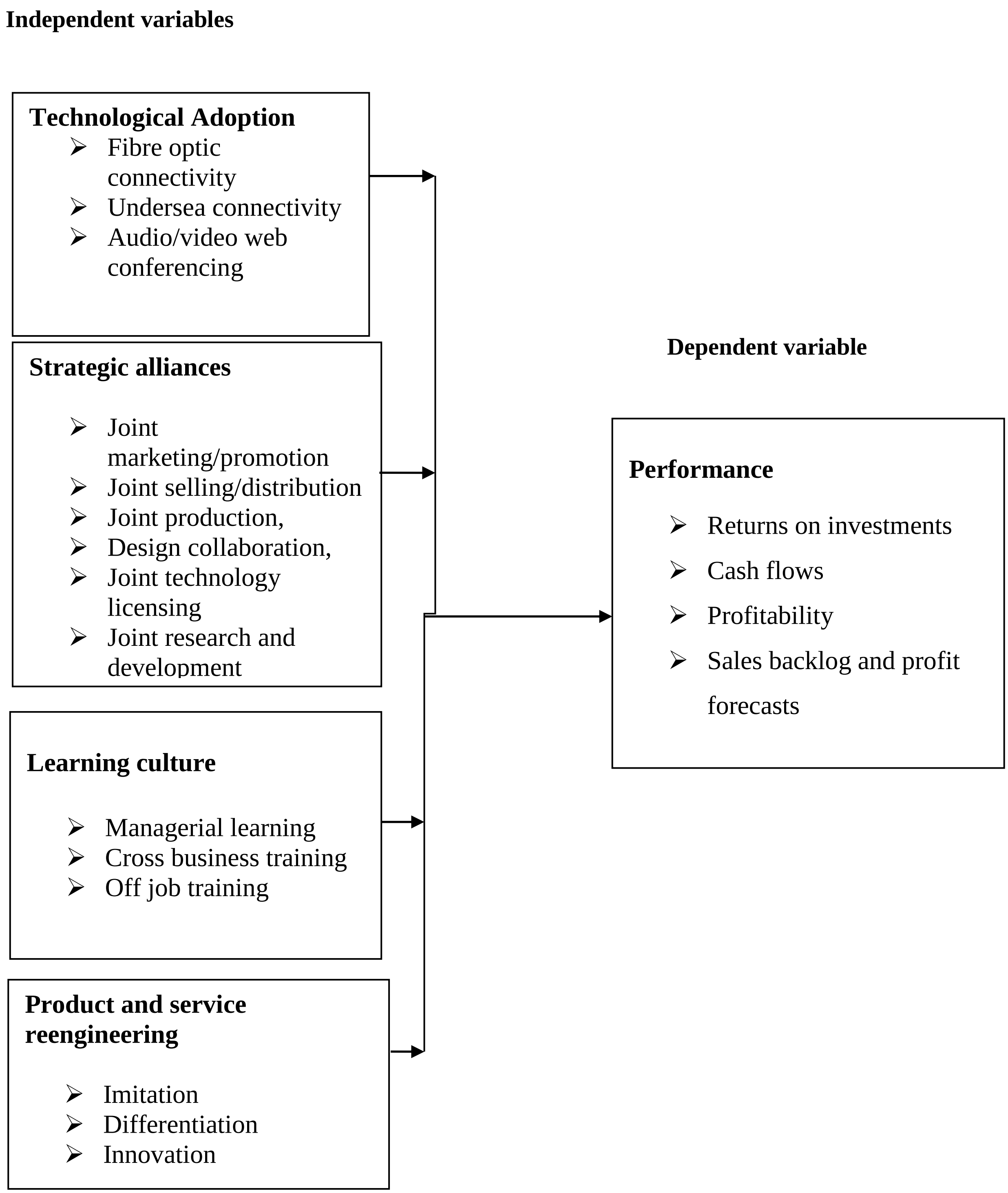

Figure 2.1: Conceptual framework

Strategic change management is vital for any organization to perform and become successful (Rose & Lawton, 1999). The dependent variable in this study is performance and is influenced by various independent variables; technological adoption, product re-engineering, strategic alliances, and learning culture,

As a result of competitive pressures organizations are continually forced to re-evaluate and come up with new technological adoptions in order to boost performance and retain competitiveness in the market (Koc and Ceylan 2007). Organizations tend to adopt the technology if the consistency with their culture, values, preferred work practices and the availability of the infrastructure.

Firms also adopt product and service re-engineering as a strategy to enhance performance. This is a common form of behaviour that arises in a variety of business domains in which firms reengineer their products and services in order to remain competitive in the market. Product and service reengineering can be achieved through innovation, product and service differentiation, and imitation.

Organizations also form alliances in order to gain advantages over their competitors (Nielsen & Lee Gorzen, 2007). Strategic alliances may occur in form of joint marketing/promotion, joint selling/distribution production, design collaboration, technology licensing and research and development contracts. Firms form alliances due to reasons such as cost savings, market penetration and retention, financial injection, infrastructure constraints, circumventing institutional constraints and market stability.

In addition, organizations also initiate organizational learning in order to improve performance. Through learning, new knowledge is acquired, transferred and translated into enhanced products and services (Jones 2000). Firms that have a strong learning culture are good and efficient at developing, acquiring and transferring knowledge and skills, as well as at transforming behaviour to reflect new knowledge and insight. Through organizational learning managers try to increase organizational members' capabilities in order to well understand and manage the organization and its environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was used in the study. It describes the research design employed, the tools and processes used in data collection as well as the targeted participants. The chapter also highlights the data analysis methods and tools employed during the study

3.2 Research Design

The study used a descriptive survey study design. The choice of the descriptive survey design was made based on the fact that in this study, the researcher was interested in the state of affairs already existing in the company and no variable was manipulated. Descriptive survey design therefore was appropriate because it enabled the researcher to gather information on how the management of strategic changes has affected performance at Telkom Kenya Limited

3.3 Target Population

The target population for the study was employees at Telkom Kenya limited headquarters at Telkom plaza. The respondents of interest in this study were top level management employees, the middle level and the lower level employees.

3.4 Sample Size and Sample Technique

The study employed stratified random sampling to group the employees into top level management, middle and lower level employees. Stratified sampling was done to ensure that all employees' levels are represented in the sample. The study adopted 20% of the total population as representation. Owing to the large number of employees at the company, 20% of them was considered adequate since it was not too large and to small. The sample size was manageable due to the financial limitation. According to Mugenda and Mugenda (2003), a sample of between 20 and 30 percent is adequate for a population of below 1000. This implies that 3 top level managers, 44 middle level employees and 150 lower level employees constituted the sample for the study. Individual participants were selected by use of simple random sampling from the three strata.

3.4.1 Sample Frame

Table 3.1: Sample frame

Category of respondents	Population	Percentage	Sample
Top management	13	20%	3
Middle level employees	44	20%	9
Lower level employees	150	20%	30
Total	**207**	**20%**	**42**

Source: Telkom Kenya Limited Human Resource Department (2017)

3.5 Data Sources and Data collection Techniques

The study used questionnaires to collect data collection from the middle level and lower level employees, and the top management employees. The questionnaires consisted of both open and close-ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. The closed ended questions were also used to test the rating of various attributes and this helped in reducing the number of related responses in order to obtain more varied responses. The open-ended questions provided additional information that may not have been captured in the close-ended questions. The questionnaires were carefully designed and tested with a few members of the population for further improvements. The questionnaires were structured in different sections. Structuring was done in order to adequately address the research questions and to enhance the validity and accuracy of data to be collected for the study. The questionnaires were administered to the respondents using drop and pick later method.

3.6 Reliability and Validity of the Data Collection Instrument.

3.6.1 Pilot Study

The researcher conducted a pilot study two weeks before conducting the actual study. Two participants from each management level were included in the piloting process. The individuals who were used for the piloting process were excluded from the main study.

3.6.2 Validity

This study used content validity. Content validity is a measure of the degree to which data is collected using a particular concept (Kothari, 2004). Consultations and discussions with supervisors were done to establish content validity. Face validity was undertaken to check for clarity and ambiguity of the questions. A piloting of the research instrument was done on 10 respondents working at the management department. Feedback on the piloting was used to make corrections on the questionnaire.

3.6.3 Reliability

Kothari (2004) states that an instrument is said to be reliable if it yields consistent results over a period of time. Test-retest reliability method was used to determine consistency of the questionnaires to be administered. This ensured the authenticity of results collected and helped to avoid distortion. To test for internal consistency group of items, the questionnaires were tested using a statistics Cronbach coefficient alpha for the extent they measure or explain the variable. A reliability coefficient of 0.72 was obtained and accepted in assessing reliability for multi-item scales. According to Best & Kahn (2006), a reliability coefficient of 0.6 and above is sufficient for an instrument. The coefficient obtained is this range, and the researcher thus considered the instrument reliable.

3.7 Data Collection Procedure

The researcher used primary data. Primary data was collected using questionnaires. The researcher with the help of research assistant distributed the questionnaires to the respondents selected and were collected after three days. This gave the respondents ample time to fill the questionnaire and seek clarifications from the researcher.

3.8. Data Analysis Techniques

The researcher first evaluated the accuracy and relevance of the data after which then the data was coded and tabulated. The researcher used both quantitative and qualitative method of data analysis. Qualitative data was analysed by arrangement according to patterns and themes deduced. Quantitative data was tabulated and entered in Statistical Package for Social Sciences (SPSS) which was used to analyse the data. Data was be analysed by calculating various percentages as possible. Likert scales were used to show the ratings of various statements pertaining to strategic change management and performance. Thereafter, various scenarios were explained and recommendations made. The findings were then presented in form of pie-charts, bar-graphs and tables. Inferential statistics in form of multiple regression model was be used to establish the relationship that exists between the strategic change management practices and performance at Telkom Kenya Limited. The regression model was of the form;

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \varepsilon$$

Where;

Y= Performance

a = constant

b_i= coefficient ($b_1 b_2 b_3 b_4$)

x_i= Technological adoption

x_2= Strategic alliances

x_3 = Learning culture

x_4 = Product reengineering

ε = Error term

The data was then presented using frequency tables, bar graphs and pie charts

3.9. Ethical Consideration

According to Carrol &Buchholtz (2000) ethics refers to norms and standard of behaviour that guides moral choices about our behaviour and our relationships with others. The main aim of doing this is to measure what is conceived to be morally right or wrong as per the societies prevailing norms and standards. The researcher ensured that the respondents are protected by keeping all the information gathered confidential. Further, the study did not undertake research that caused physical or psychological harm to the respondent. The researcher also obtained the Authority from the managing directors of the company to administer questionnaires to ensure that the leadership of the company is aware of the activity. The researcher also obtained assent from the university upon which a letter was given.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

In this section focus is on the analysis and report of the results of the study. The main issues covered are demographics of the participants, the effect of strategic change management on organizational performance and tests of hypotheses.

4.1 Response Rate

The researcher issued 42 questionnaires to the participants of the study. The research was able to obtain 40 fully filled questionnaires from the participants. This forms 95.24% of the participants. According to Kothari (2004), a response rate that is greater than 50% is enough to give reliable findings and conclusions. Therefore, the response rate for the study was quite high and sufficient to make study conclusions and provide reliable findings.

4.2 Demographic Information

The study determined the demographic information of the participants. Main focus here was on the level of management of the employees, involvement in strategic planning, and duration worked in the current positions.

The study first determined the level of management of the participants. The findings were presented below**.**

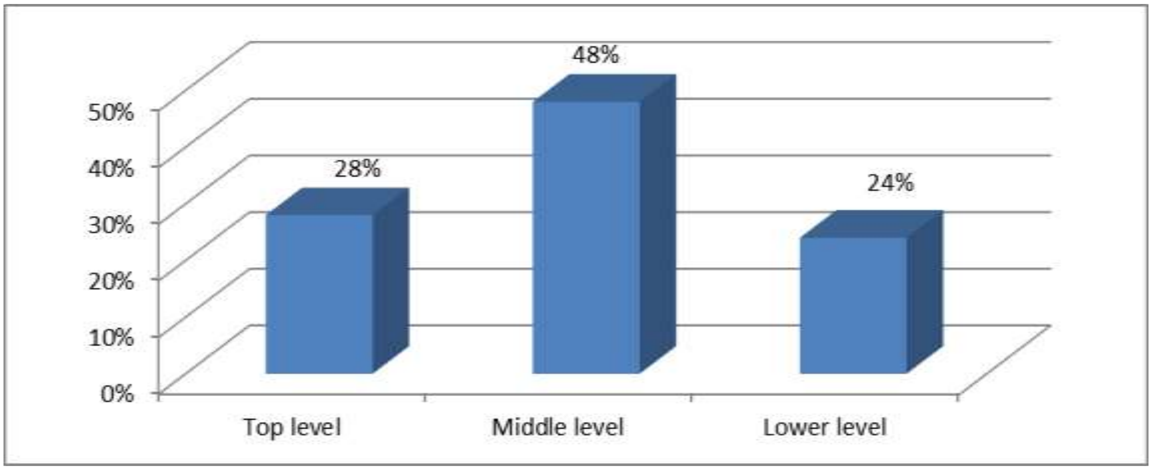

Figure 4.1: Level of management

The findings indicate that majority of the participants (48%) were middle level managers. 28% of the participants were top level managers while 24% of the participants were lower level employees.

The study also determined whether the participants were involved in strategic planning. The findings were presented below

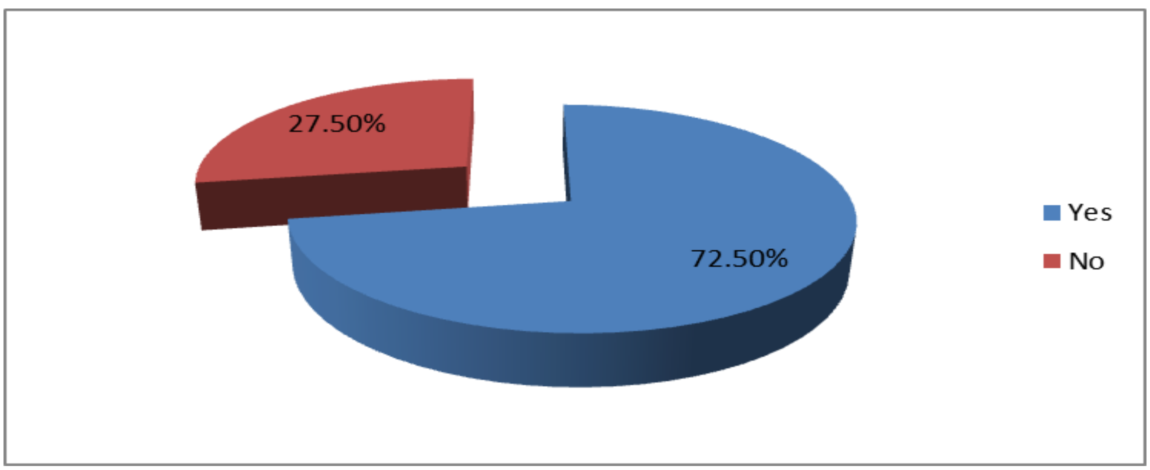

Figure 2.2: Involvement in strategic planning

The findings indicated that majority of the employees (72.5%) participate in strategic planning. Only a small proportion of the employees (27.50%) do not participate in strategic planning. This indicates that employees in Telkom are actively involved in matters pertaining to the strategic planning.

The study further determined the duration the participants had worked in the current positions. The findings were presented in the table below

Table 4.1: Duration worked in the current position

Duration	Frequency	Percentage
Less than 5 years	18	45%
5-9 Years	18	45%
10 years and above	4	10%
Total	**40**	**100**

According to the findings, majority of the participants (45%) had worked in their current positions for duration less than 5 year and for 5 to 10 years. Only a small proportion of the participants (10%) had worked for 10 years and above.

4.3 Strategic Change Management and Organizational Performance

The study sought to determine the effect of strategic change management on organizational performance of Telkom Kenya. This was achieved by determining the effect of strategic management on ROI, cash flow, overall profitability, and sales back log and profit forecast.

Table 2.2: Effect of strategic change management on ROI

	N	Mean	Std. Deviation
Increased return on investment	40	2.3250	.91672
Cash flow has improved	40	2.2813	.81258
Profitability has increased in consecutive years	40	2.5750	.78078
Sales backlog and profit forecast have been easier to predict	40	2.5625	.82272
Aggregate score	**40**	**2.2359**	**0.6380**

According to the findings, the respondents reported that adoption of strategic change management practices has high influence on returns on returns on investment (Mean=2.3250, STD=.91672), improvement of cash flow (mean=2.2813, STD=0.81258), improvement of profitability in consecutive years (Mean=2.5750, STD=0.78078), and has to a high extent made it easier to predict sales backlog and profit forecast (M=2.5625, STD=0.82272). In general, adoption of strategic change management practices has high effect on organisational performance (Mean=2.23595, STD=0.638005).

The findings are in agreement with the findings of Muema (2013) who established that strategic change management practices have high effect on the organisational performance of Safaricom and they are highly recognized and celebrated at the company.

4.4 Technological Adoption and Organizational Performance

The study determined the effects of technological adoption on organizational performance. The study specifically focused on the effect of technological adoption on ROI, cash flow, overall profitability, and sales back log and profit forecast. The findings are presented in the table below;

Table 4.3: Effects of technological adoption on organisational performance

	N	Mean	Std
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have return on investment	40	2.1892	1.0759
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have helped improve cash flow	40	2.5641	1.0461
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have helped improve profitability	40	3.4848	.9055
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have improved sales backlog and profit forecasts	40	2.7368	1.0573
Aggregate score	**40**	**2.7515**	**1.0213**

From the findings, the respondents reported that adoption of Fiber optic connectivity, undersea cable connectivity and audio and web conferencing has high effect on returns on investment (Mean=2.1892, STD=1.07595), improvement of cash flow (mean=2.5641, STD=1.04617), improvement in sales backlogs and profit forecast (Mean=2.7368, STD=1.05739). In addition, the respondents reported that adoption of Fiber optic connectivity, undersea cable connectivity and audio and web conferencing has o average affected improved profitability of the organisation. In aggregate, from the findings, adoption of technological strategies has high effect on the organisational performance of Telkom Kenya.

The findings are in agreement with the findings of Mukonyo (2014) who established that technological adoption had high effect on the organisational performance of Capital Markets Authority, Kenya. The findings are also in line with the findings of Atieno (2012) who established that technological adoption has high effect on organisational performance of Airtel Kenya Limited. The study established a significant positive relation between technological adoption and the performance of the company. The findings are also similar to Rees & Porter (2008) assertion that effect of technology change to the organisational performance is considered as high.

4.5 Strategic Alliances and Organizational Performance

The study determined the effects of strategic alliances on the organizational performance. The study focused on the effects on ROI, overall profitability, cash flow, and sales backlog and profit forecasts.

Table 4.4: Effect of strategic alliances on the organisational performance

	N	Mean	Std
Joint marketing, production, technology licensing and joint research and development improved return on investment	40	2.8571	.89909
Joint marketing, joint production, joint technology licensing and joint research and development improved profitability	40	2.6667	.90167
Joint marketing, joint production, joint technology licensing and joint research and development improved cash flow	40	2.6154	1.09100
Joint marketing, joint production, joint technology licensing and joint research and development improved sales backlog and profit forecasts	40	3.6829	.98588
Aggregate Score	**40**	**2.9555**	**0.96941**

Based on the analysis findings, the respondents reported that Joint marketing, production, technology licensing and joint research and development has high effect on the improvement of returns on investment (Mean=2.8571, STD=.89909), and profitability (mean=2.6667, STD=.90167), cash flow (mean=2.6154, STD=1.09100). In addition, the respondents reported that sales backlog and profit forecasts have on average improved as a result of adoption of joint marketing, production, technology licensing and joint research and development (mean=3.6829, std=.98588). In general, from the findings, adoption of strategic alliances has high effect on organisational performance of Telkom Kenya (Mean=2.9555, STD=0.96941). The findings highlight the significance of strategic alliances as a key factor to consider in order to improve capabilities and organisational performance.

The findings are in agreement with the findings of Atieno (2012) who established a positive relationship between strategic alliances and organisation performance of Airtel Kenya Limited. The study established that adoption of strategic change management practices has high effect on organisational performance of the company. The findings are also in line with Nielsen & Lee Gorzen (2007) who got evidence suggesting that organizations forming alliances experiences enhanced organizational performance. In other similar findings, Perry (2004) established that participation in strategic alliances had a high effect on business performance, Tebrani (2003) concluded that using strategic alliances had high effect on organisational performance and enhances business performance irrespective of the country of origin, or the industry in which the alliances are formed, and Jabar, Othman and Idris (2011) established that formation of strategic alliances had high effect on organisation performance of the Malaysian manufacturing firms.

4.6 Effect of Learning Culture on Organizational Performance

The study determined the effects of learning culture on the organizational performance. The study focused on the effects on ROI, overall profitability, cash flow, and sales backlog and profit forecasts and profit forecast.

Table 4.5: Effect of organisational learning on organisational performance

	N	Mean	Std
Managerial learning, cross business training and off job training have improved profitability	40	4.0000	1.1687
Managerial learning, cross business training and off job training has improved return on investment	40	4.9512	1.1391
Managerial learning, cross business training and off job training have improved cash flow	40	4.2857	.9699
Managerial learning, cross business training and off job training have improved sales backlog and profit forecast	40	4.2143	1.1589
Aggregate score	**40**	**4.3628**	**1.1092**

From the findings, the respondents agreed that managerial learning, cross business training and off job training have improved profitability (mean=4.000, std=1.16870), returns on investment(mean=4.9512, std=1.13911), cash flow(mean=4.2857,std=.96993), and sales backlog and profit forecast(mean=4.1128,std=1.1092). In general, the respondents agreed that adoption of learning culture has improved organisational performance of Telkom Kenya.

The findings highlight the significance of organisational learning to the organisational performance. As Jones (2000) postulated, organizational learning is very vital for organizational performance. It is through organizational culture that managers try to increase organizational members' capabilities in order to well understand and manage the organization and its environment. It is through organisational learning that organisations enhance innovativeness that contributes to organisation. The findings are in agreement with the findings of Nzioka (2012) who established that organisational learning had a high effect on the organisational performance of commercial banks in Kenya. In his study, he identified a strong positive relationship between organisation learning and organisational performance. In other similar findings, Gakuo and Rotich (2017) in a study on the effect of strategic knowledge management on performance of commercial banks in Kenya concluded that knowledge management processes capability is key in achieving performance. Serban and Luan (2011) noted that effective knowledge management helps in change management, influencing business strategy, and a host of other high-value-added activities that impact organizational effectiveness, and in knowledge management process, human resource is an indispensable resource.

4.7. Product/ Service Re-engineering

The study determined the effect of product/service reengineering on organizational performance. The study focused on the effect on ROI, cash flow, overall profitability, and sales backlog and profit forecast.

Table 4.6: Effect of product/service re-engineering on organisational performance

	N	Mean	Std
Product and service imitation, differentiation and innovation has had a return on investment	40	2.1429	1.1384

Product and service imitation, differentiation and innovation has improved cash flow	40	2.9750	1.0974
Product and service imitation, differentiation and innovation has increased profitability	40	2.0541	1.0787
Product and service imitation, differentiation and innovation has improved sales backlog and profit forecasts	40	2.9286	1.2451
Aggregate score	**40**	**2.5251**	**1.1399**

Based on the analysis findings, the respondents reported that product and service imitation, differentiation and innovation has high effect on returns on investment (mean=2.1429, STD=1.13849), cash flow (mean=2.9750, STD=1.09749), profitability (mean=2.0541, STD=1.07873), and sales backlog and profit forecasts (mean=2.9286, STD=1.24510). In general, the respondents reported that product/service reengineering has high effect on organisational performance.

The findings are in line with the findings of Atieno (2012) who established that product/service reengineering has high effect on the performance of Airtrl Kenya. The findings established that a positive relationship exist between product reengineering and organisational performance of the company. The findings are also in agreement with the findings of Mwihaki (2016) in a study on the business process re-engineering and operational performance at Nairobi City County whereby the findings revealed that product/service reengineering had a statistically significant effect on operational performance. In other similar findings of Nolega, Oloko, William and Oteki (2015) studied the effects of product differentiation strategies on firm product performance of Kenya seed company (KSC), Kitale and established that the customer base of company showed a steady rise as a result of product differentiation strategies.

4. 8 Inferential Analysis

Multiple regression analysis was used to test the following hypothesis:

H_1: Strategic change management has significant effect on organization performance of Telkom Kenya

The regression model used was as follows;

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \varepsilon$$

Where;

Y= Performance

a = constant

b_i= coefficients ($b_1 b_2 b_3 b_4$)

$x_{i=}$ Technological adoption

x_2= Strategic alliances

x_3 = Learning culture

x_4 = Product reengineering

ε = Error term

Table 4.7: Model Summery table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.8521[a]	.726	.691	.0208071

a. Predictors: (Constant), Technological adoption, Strategic alliances, Learning Culture, Product/service reengineering.

The R-squared for the regression model was 0.726. A conclusion can therefore be made that Technological adoption, Strategic alliances, Learning Culture, and Product/service reengineering explained 72.6% of the change Performance of the company. The coefficient R is the correlation coefficient. The analysis presented a large correlation coefficient of 0.8521 indicating that Technological adoption, Strategic alliances, Learning Culture, and Product/service reengineering had a strong relationship with performance of Telkom Kenya.

Table 4.8: ANOVA Table

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.004	2	.002	17.280	.015[b]
1	Residual	.000	2	.000		
	Total	.004	4			

a. Dependent Variable: Performance

b. Predictors: (Constant), Technological adoption, Strategic alliances, Learning Culture, Product/service reengineering.

The F-value was 17.280 was significant as indicated by a p-value of 0.015<0.05. This indicates that the regression model provided some explanatory power and the overall model is significant. This indicates that Technological adoption, Strategic alliances, Learning Culture, Product/service reengineering can be used to predict ROI of the Telkom Kenya.

Table 4.9: Coefficients

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.736	.048		7.042	.01
Technological Adoption	.52	.296	.410	3.9	.01
Strategic alliances	.29	.236	.270	3.2	.01
Product/ Service reengineering	.17	.212	.139	3.0	.03
Learning Culture	.12	.204.	.126	2.9	.04

a. Dependent Variable: ROCE

The test of the statistical significance of the independent variables in the model was done using t-tests. Results indicates that technological adoption has a positive coefficient when used as a predictor of performance (B = 0.52) and has a t-statistic of 0.410 which is significant at 5% level of significance (since 0.01<0.05). This indicates that technological adoption is a significant predictor organizational performance. It has a positive coefficient indicating that increase in technological adoption by the company increases financial performance. The findings are in line with Kinot's (2009) findings which indicated that investment in technology, directly contributed to higher performance of a firm. Benedetto and Mu's (2011) findings also agree with the current findings that technology adoption brings out new products which contribute to high performance. Furthermore, the findings of Anal et al., (2011) support the current study's findings in concluding that technology and performance have a positive and significant relationship

Strategic alliances had a positive coefficient in the regression model (B = 0.29) indicating that rise increased strategic alliance adoption leads to an increase in performance. The t-statistic was 3.2 which was significant at 5% level of significance (since 0.01<0.05). This indicates that strategic alliances can be used as a predictor of organizational performance. The findings agree to the findings by Perry (2004), Tebrani (2003), Camison (2007), Jabar, Othman and Idris (2011), Ibrahim (2011), and Umar (2005) that strategic alliances significantly affect organizational performance.

Product/Service reengineering had a positive coefficient in the regression model (B = 0.17) indicating that an increased reengineering leads to increased organizational performance. The t-statistic was 3.0 which was significant at 5% significance level (0.03<0.05). This indicates that product/service re-engineering is a significant predictor of organizational performance of the company. The findings agree to the findings by Murage (2011) and Kim, Nam and Stimpert (2004) that product/service reengineering is a significant predictor of organizational performance.

Learning culture had a positive coefficient in the regression model (B = 0.12) indicating that increased learning culture leads to increased organizational performance. The t-statistic was 2.9 which was significant at 5% significance level (0.04<0.05). This indicates that learning culture is a significant predictor of organizational performance of the company. The current findings agrees to the findings by Murray&Donegan (2003), Jones (2000), and Alegre & Chiva (2008) that organizational learning is a vital component of any organization and it is a significant determinant of performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objectives of the study. The research sought to establish the effect of strategic change management on organizational at the Telkom Kenya Limited.

5.2 Summary of the Findings

The study established that Telkom Kenya Limited has been applying strategic change management practices in its operations. The strategic change management practices adopted by Telkom Kenya Limited included; modern scientific technology(fibre optic connectivity, undersea cable connectivity, and audio and web conferencing), strategic alliances(joint marketing, joint production, joint technology licensing, and joint research and development), learning culture (managerial learning, cross business training, and off job training), and product /service re-engineering(product and service imitation, differentiation, and innovation). This revealed that Telkom Kenya Limited has adopted diverse strategic change management practices. The study found out that adoption of strategic change management practices has high influence on returns on returns on investment, cash flow, overall profitability in consecutive years, and has to a high extent made it easier to predict sales backlog and profit forecast. In general, the findings indicate that adoption of strategic change management practices has high effect on organisational performance.

With regard to technological adoption, the respondents reported that adoption of fiber optic connectivity, undersea cable connectivity and audio and web conferencing has high effect on returns on investment, cash flow, sales backlogs and profit forecast. In addition, adoption of Fiber optic connectivity, undersea cable connectivity and audio and web conferencing has on average affected improved profitability of the organisation. In aggregate, from the findings, adoption of technological strategies has high effect on the organisational performance of Telkom Kenya

With regard to the effects of strategic alliances on organizational performance, the respondents reported that joint marketing, production, technology licensing and joint research and development has high effect on the improvement of returns on investment, and profitability, cash flow. In addition, the respondents reported that sales backlog and profit forecasts have on average improved as a result of adoption of joint marketing, production, technology licensing and joint research and development. In general, from the findings, adoption of strategic alliances has high effect on organisational performance of Telkom Kenya.

With regard to the effect of learning culture on organizational performance, the respondents agreed that managerial learning, cross business training and off job training have improved profitability, returns on investment, cash flow, and sales backlog and profit forecast. In general, the respondents agreed that adoption of learning culture has improved organisational performance of Telkom Kenya.

With regard to the effect of product/service reengineering, based on the analysis findings, the respondents reported that product and service imitation, differentiation and innovation has high effect on returns on investment, cash flow, profitability, and sales backlog and profit forecasts. In general, the respondents reported that product/service reengineering has high effect on organisational performance

Finally, based on the inferential analysis, the study established that adoption of technological strategies, strategic alliances, product/service reengineering, and learning culture are significant determinants of organisational performance of Telkom Kenya.

5.3 Conclusion

The study concludes that Telkom Kenya Limited has been applying strategic change management practices in its operations. The strategic change management practices adopted by Telkom Kenya Limited included; modern scientific technology, strategic alliances, learning culture and product /service re-engineering. With regards to the effect of strategic change management practices on performance, the study concludes that strategic change management has to a high extent improved ROI and cash flow of the company and on average improved overall profitability and sales backlog and profit forecast of the company

On the effect of technological adoption, the study concludes that technological adoption had to a high extent improved cash flow of the company, overall profitability of the company and the sales backlog and profit forecast of the company. Regardingstrategic alliances, the study concludes that strategic alliances has on average improved ROI and to a high extent improved the overall profitability of the company. With respect to learning culture, the study concludes that learning culture has improved sales backlog and profit forecast of the company. On product/ service re-engineering, the study concludes that product/service reengineering had average improved ROI and the overall profitability, and sales backlog and profit forecasts of the company.

5.4 Recommendations

Regarding the shift in the customer needs the study recommend companies in the telecommunication sector to ensure that they provide satisfactory services to their customers. To attain this level of operation, the organizations ought to pay keen attention to technological changes. In addition, the management emphasize on pay extra attention to innovations since they are vital tools in giving competitive advantage, which translates to high organizational performance. For these reasons, the management ought to focus and invest more on strategic change management practices as this leads to better organisational results. The companies not only in the telecommunication sector but across all sectors are recommended to adopt and manage various strategies such as modern technologies, product/service reengineering, strategic alliances, and organisational learning.

Adoption of modern technologies is vital as it will enhance the operations of the company, reduces the operations cost and improve organisational performance. Adoption of strategic alliance with help in knowledge sharing will reduce operational costs and enhance the overall operations of the company. Adoption of product/service reengineering will help to meet the customers’ tastes and needs, will increase the sales of the company and improve the overall profitability of the company. Adoption of organisational learning is vital as it leads to knowledge creation and development, increases creativity and innovativeness and improves the overall organisational performance.

5.5 Suggestions for Further Research

Since this study explored the management of strategic change at the Telkom Kenya Limited, the study recommends that; similar studies should be done in other companies in the telecommunication industry and other sectors of the Kenyan economy for comparison purposes and to allow for generalization of findings on the effects of strategic change management on organizational performance in Kenya.

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LIST OF APPENDICES

Appendix I: Introduction letter

Eptisam Hussein Kamau,

PO BOX 250-00516, Nairobi.

The Management,

Telkom Kenya Limited,

PO BOX 30301-00100,

Nairobi.

Dear sir/Madam,

<u>RE: DATA COLLECTION REQUEST</u>

I am a master of business administration student at Kenyatta University and in my final year of study. As part of the requirements for the award of the degree of Master of Business Administration, I am undertaking a research on "**EFFECTS OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE IN TELECOMMUNICATION INDUSTRY IN KENYA**". My case study is Telkom Kenya limited. In this regard, I am kindly requesting for permission to conduct my study in your company. This is an academic research and confidentiality is emphasized. Kindly accept my request. Thank you in advance

Yours Sincerely,

EPTISAM HUSSEIN KAMAU

0773576614/eptisamkamau@gmail.com

Appendix ii: Questionnaire

Questionnaire for the Telkom Kenya Limited employees at Telkom Plaza Nairobi.

Please tick ( ) the box that matches your answer to the questions and give the answers in the spaces provided as appropriate. The information you provide will be treated with utmost confidentiality.

SECTION A: BASIC DEMOGRAPHIC DATA

1. In which department do you work?

....

2. Which level of management are you?

Top Level Management ( ) Middle Level Management ( )

Lower Level Management ( )

3. Are you involved in strategic planning?

Yes ( ) No ( )

4. How long have you worked in that position?

5 years or less ( ) 5-10 years ( ) 10 years and above ( )

SECTION B: EFFECT OF STRATEGIC CHANGE MANAGEMENT PRACTICES ON PERFORMANCE OF TELECOMMUNICATION INDUSTRY: A CASE OF TELKOM KENYA LIMITED.

This section purposes to assess your views on the effect of strategic change management practices on performance of your company in terms of profitability, cash flow and return on investment. Also through technological adoption such as fiber optic connectivity, strategic alliances such as joint marketing and promotion, learning culture such as managerial learning and lastly product re-engineering through imitation, differentiation and innovation.

Organizational Performance

5. Has strategic change management practices such as technological adoption, had an influence on performance of your company in the areas below. Tick the appropriate box with **1-Very High, 2-High, 3 Average, 4-Low, 5- Very Low**

Statement	**1**	**2**	**3**	**4**	**5**
Increased return on investment					
Cash flow has improved					
Profitability has increased in consecutive years					
Sales backlog and profit forecast have been easier to predict					

Technological Adoption

6. Rate the effect of technological adoption as a strategic change on organizational performance by ticking at the appropriate box using the criteria below. **I-Very High, 2-High, 3 Average, 4-Low, 5- Very Low**

Statement	**1**	**2**	**3**	**4**	**5**
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have return on investment					
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have helped improve cash flow					
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have helped improve profitability					
Fiber optic connectivity, undersea cable connectivity and audio and web conferencing have improved sales backlog and profit forecasts					

Strategic Alliances

7. Indicate the effect of strategic alliances as a strategic change on organizational performance by ticking at the appropriate box using the rating criteria below. I-Very High, 2-High, 3 Average, 4- Low, 5- Very Low

Statement	**1**	**2**	**3**	**4**	**5**
Joint marketing, production, technology licensing and joint research and development improved return on investment					
Joint marketing, joint production, joint technology licensing and joint research and development improved profitability					
Joint marketing, joint production, joint technology licensing and joint research and development improved cash flow					
Joint marketing, joint production, joint technology licensing and joint research and development improved sales backlog and profit forecasts					

Learning Culture

8. Indicate your level of agreement with the following statements pertaining the effect of learning culture on organizational performance by ticking at the appropriate box using the rating criteria below. **1. Strongly Disagree, 2. Disagree, 3.Uncertain, 4. Agree, 5. Strongly Agree**

Statement	**1**	**2**	**3**	**4**	**5**
Managerial learning, cross business training and off job training have improved profitability					
Managerial learning, cross business training and off job training has had return on investment					

Managerial learning, cross business training and off job training have improved cash flow					
Managerial learning, cross business training and off job training have improved sales backlog and profit forecast					

Product/Service Re-engineering.

9. Indicate the effect of product and service reengineering as a strategic change on organizational performance by ticking at the appropriate box using the rating criteria below. **I-Very High, 2-High, 3 Average, 4-Low, 5- Very Low**

Statement	**1**	**2**	**3**	**4**	**5**
Product and service imitation, differentiation and innovation has had a return on investment					
Product and service imitation, differentiation and innovation has improved cash flow					
Product and service imitation, differentiation and innovation has increased profitability					
Product and service imitation, differentiation and innovation has improved sales backlog and profit forecasts					

THANK YOU FOR YOUR COOPERATION

Appendix iii: Work Plan

YEAR 2015/2017

Time Frame	Dec	Jan	Feb	Mar	Apr	May	June	July	Sep
Proposal Writing									
Proposal Corrections									
Proposal defence									
Administering Questionnaires									
Data analysis									
Final project corrections									
Final project submission									

Appendix iv: Budget

ACTIVITY	COST (IN KSHS.)
Photocopying and Printing	20,000
Typing and printing	10,000
Binding	4,000
Transport	5,000
Communication	3,000
Data collection	10,000
Miscellaneous	5,000
Total	**57,000**

Appendix v: Reliability findings

Reliability Statistics

Cronbach's Alpha[a]	Cronbach's Alpha Based on Standardized Items[a]	N of Items
0.720	0.692	10