ORGANIZATIONAL TRANSFORMATION AND PERFORMANCE OF KENGEN COMPANY LIMITED, KENYA

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A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A DEGREE OF MASTERS IN BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT) IN THE SCHOOL OF BUSINESS, KENYATTA UNIVERSITY.

NOVEMBER, 2018
DECLARATION

I, the undersigned, declare that this is my original work that has not been presented in any other University or institution for academic credit.

Sign .................................................. Date .............................................

NAME. ABEL KIPKOECH ROTICH.

SUPERVISOR
This project has been presented for examination with approval as the university supervisor.

Sign .................................................. Date .............................................

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SCHOOL OF BUSINESS
KENYATTA UNIVERSITY
DEDICATION

I dedicate this project to my family specifically, Monica Rotich, Valentine and Viola Rotich, Vincent and Victor Koech. Thanks for being my die-hard supporters and for adapting to a changed environment, while I was undertaking the course. You afforded me something that I can never repay: time.
ACKNOWLEDGEMENTS

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Special thanks to my family members for their unfailing moral support throughout my period of study and for understanding and appreciating the demand of the course. Your support and unconditional love gave me the energy to push on even when my work and education were in collision course. To all of you, your support in one way or the other in the course of this study have been greatly appreciated and valued. To the almighty God, I thank you for the love, care and grace and good health which you have sustained in me throughout my study and working life.
# TABLE OF CONTENTS

DECLARATION ........................................................................................................... i
DEDICATION .............................................................................................................. ii
ACKNOWLEDGEMENTS ............................................................................................ iii
LIST OF TABLES ......................................................................................................... vii
LIST OF FIGURES ....................................................................................................... viii
OPERATIONAL DEFINITION OF TERMS ................................................................. ix
ABBREVIATIONS AND ACRONYMS ....................................................................... xi
ABSTRACT .................................................................................................................. xii

## CHAPTER ONE: INTRODUCTION ............................................................................ 1

1.1 Background of the study ..................................................................................... 1
  1.1.1 Organizational Performance ......................................................................... 5
  1.1.2 Transformation in the Energy Sector ............................................................ 6
  1.1.3 KenGen’s Transformation Journey ................................................................. 8
  1.1.4 Operating Environment ................................................................................ 11

1.2 Statement of the problem ................................................................................... 11

1.3 Objectives of the study ...................................................................................... 13
  1.3.1 General Objectives ....................................................................................... 13
  1.3.2 Specific Objectives ....................................................................................... 13

1.4 Hypothesis .......................................................................................................... 13

1.5 Significance of the study ................................................................................... 14

1.6 Scope of the study ............................................................................................. 14

1.7 Limitations of the study .................................................................................... 14

1.8 Organization of the proposed study ................................................................. 15

## CHAPTER TWO: LITERATURE REVIEW .............................................................. 16

2.0 Introduction ......................................................................................................... 16

2.1 Theories Underpinning the Study ..................................................................... 16
  2.1.1 Kotter’s eight step model ............................................................................. 16
  2.1.2 The McKinsey 7s Model ............................................................................. 17
  2.2.3 The ADKAR Model ................................................................................... 19
2.2 Empirical Review

- 2.2.1 Corporate self-renewal and performance ........................................ 22
- 2.2.2 Corporate Culture change and Performance ..................................... 24
- 2.2.3 Operational Improvements and Performance .................................... 26

2.4 Conceptual Framework ............................................................................. 29

CHAPTER THREE: RESEARCH METHODOLOGY ............................................. 30

3.1 Introduction ................................................................................................. 30

3.1 Research Design .......................................................................................... 30

3.2 Empirical Model .......................................................................................... 30

3.3 Target Population ........................................................................................ 31

3.6. Data Collection Instruments ..................................................................... 33

3.7: Data Collection Procedure ....................................................................... 33

3.7 Validity and reliability of instruments ....................................................... 33

- 3.7.1 Validity .................................................................................................. 33
- 3.7.2 Reliability ............................................................................................... 33

3.8: Data Analysis .............................................................................................. 34

3.9 Ethical consideration .................................................................................. 34

CHAPTER 4: DATA ANALYSIS FINDINGS AND DISCUSSIONS ............. 35

4.1 Introduction ................................................................................................. 35

4.2 Response Rate ............................................................................................. 35

- 4.2.1 Demographic Information for the Respondents ................................. 35
- 4.2.2 Respondent’s Department .................................................................... 36
- 4.2.3 Respondent’s Working Experience ..................................................... 37
- 4.2.4 Respondent’s Educational Level .......................................................... 37

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 50

5.2 Summary ..................................................................................................... 50

5.3 Conclusions ................................................................................................. 52
5.4 Contributions to knowledge ................................................................. 53
5.6 Recommendations for further research ............................................. 55
APPENDIX I: Research Permit .................................................................. 61
APPENDIX II: Research Authorization ...................................................... 62
APPENDIX III: Researcher approval .......................................................... 63
APPENDIX IV: Introduction Letter ............................................................. 64
APPENDIX V: Questionnaire ................................................................. 65
LIST OF TABLES

3.2 Target population..........................................................................................31
3.3 Sample size....................................................................................................32
4.1: Response rate...............................................................................................35
4.2 Respondent’s Gender......................................................................................36
4.3 Respondent’s Department..............................................................................36
4.4 Respondent’s working experience................................................................37
4.5 Respondent’s education level.........................................................................37
4.6 Staff level........................................................................................................38
4.7 Operational improvement...............................................................................40
4.8 Corporate Self-Renewal.................................................................................41
4.9 Corporate culture change...............................................................................43
4.10 Organizational Performance........................................................................44
4.11 Correlation results for all variables............................................................46
4.12 (a) Model Summary.....................................................................................46
4.12 (b) ANOVA results.......................................................................................47
4.12 (c) Coefficients............................................................................................48
LIST OF FIGURES

Figure 2.4.1 Conceptual framework .................................................................28
# OPERATIONAL DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Corporate Governance</td>
<td>Code of conduct by which organizations are managed. They include integrity, Professionalism and accountability</td>
</tr>
<tr>
<td>Hybrid Organizations</td>
<td>These are organizations that are owned and managed jointly by the state and private Sector</td>
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<tr>
<td>Independent Power Producers</td>
<td>This is a Company whose core Business is to handle Electricity, either through Generation, Transmission or Distribution</td>
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<tr>
<td>Organizational Performance</td>
<td>The Level at which the effectiveness and Efficiencies of Organizations are measured.</td>
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<tr>
<td>Organizational Restructuring</td>
<td>This is a change mechanism where new reporting systems, assignments, strategies and new flow of information and communication are embraced by an organization.</td>
</tr>
<tr>
<td>Organizational Transformation</td>
<td>Change mechanisms that are used to steer the Strategic direction and performance of an Institution.</td>
</tr>
<tr>
<td>Power Utility Company</td>
<td>This is a Company whose core Business is to handle Electricity, either through Generation, Transmission or Distribution.</td>
</tr>
<tr>
<td><strong>Semi-Private Companies.</strong></td>
<td>These are Companies that are partly owned by the Government and partly by the Private Sector.</td>
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<td>----------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>State Monopolies</strong></td>
<td>The environment by which the state is the only entity allowed by the Law to transact business</td>
</tr>
<tr>
<td><strong>State Owned Enterprises.</strong></td>
<td>These are organizations that are owned and managed jointly by the state and private Sector</td>
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# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADKAR</td>
<td>Awareness, Desire, Knowledge, Ability, Reinforcement.</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer.</td>
</tr>
<tr>
<td>CIE</td>
<td>Compagnie Ivoirienne d'Electrice.</td>
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<tr>
<td>EELPA</td>
<td>Ethiopia Electric Light and Power Authority.</td>
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<tr>
<td>ERB</td>
<td>Energy Regulatory Board</td>
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<tr>
<td>ERC</td>
<td>Energy Regulatory Commission.</td>
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<tr>
<td>G2G</td>
<td>Good to Great.</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product.</td>
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<tr>
<td>ICT</td>
<td>Information Communication Technology.</td>
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<tr>
<td>IPO</td>
<td>Initial Public Offer.</td>
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<tr>
<td>IPP</td>
<td>Independent Power Producers.</td>
</tr>
<tr>
<td>Kengen</td>
<td>Kenya Electricity Generating Company Ltd.</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator.</td>
</tr>
<tr>
<td>KPLC</td>
<td>Kenya Power and Lighting Company Ltd.</td>
</tr>
<tr>
<td>LCPDP</td>
<td>Least Cost Power Development Plan.</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization.</td>
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<tr>
<td>SOE</td>
<td>State Owned Enterprises.</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences.</td>
</tr>
<tr>
<td>TQM</td>
<td>Total Quality Management.</td>
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<td>UK</td>
<td>United Kingdom</td>
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Recognizing the need for change and leading organizations through that change is one of the most challenges for any leadership. Transformation is the only constant in today’s life for individuals and organizations. Some changes can be reversible while others are not hence the risk involved in managing change. Many of these change programs arise from management such as corporate culture change, corporate self-renewal, and operational improvements. The purpose of this study is to establish the effect of organisational transformation on performance of KenGen Company Ltd, Kenya. The objectives of the study are corporate culture change, corporate self-renewal, and operational improvements. The study was anchored on the Mckinsey 7s model and the ADKAR theory. The study adopted a descriptive cross-sectional research design. The target population was 1200 employees. A sample size of 300 employees was selected using Yamane (1967) formula. Primary and secondary data was collected using Semi-structured, self-administered questionnaires. The validity of the instrument was ensured using face and content validity and reliability was tested using Cronbach’s alpha with a coefficient of 0.7, which was considered acceptable. Multiple linear regression was used to test hypothesis. SPSS software version 22 was used to assist in data analysis. Data was analysed using descriptive and inferential statistics. Descriptive Statistics enabled the researcher to summarise data on demographic characteristics and obtain percentages, mean and standard deviation of the study variables while inferential statistics was used to explain the causal relationships of the study variables using multiple linear regression. Results were presented using tables and charts. The study concluded that there was a positive and significant relationship between organizational transformation and performance of kengen company limited. The study recommended that the government in collaboration with industry regulators and management of kengen company limited should come up with policies that embrace organizational transformation to increase the output energy in the grid using cheaper and more economical ways to enhance production.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study
In today’s world, business environments are undergoing continuous change more suddenly and frequently than before. Organizations around the world are putting tremendous energy into the process of change so that they are in a better position to compete in a global economy (Friedman, 2005). Organizational change strategies contain five infrastructure strategies. These strategies include goals, human resource, technology, structure and culture and when they are changing the organization also changes accordingly (Sadeghi, 2011).

Burtonshaw-Gunn and Salameh (2011) note that change has now become a regular feature of business life as part of the desire for continuously increased business performance and the ever important need to demonstrate increased stakeholder value however, successful management of resistance to change was the critical factor to achieve any degree of long-term and lasting success. Organizational change was both the process in which an organization changes its Structure, Strategies, Operational Methods, technologies or organizational culture to effect change within the organisation (Grimsley, 2016).

Hortho (2008) notes that “...change was presented as an objective fact that happens to the organization, either as a consequence of external drivers, or as an outcome of management choice.” (p.725). To maintain a competitive advantage, organizations must be able to adapt and change quickly. Change was driven by economic, social and environmental factors as well as business trends. Many organizations strategically use change to improve organizational effectiveness.

Moran and Brightman (2001) define change as a process of continually renewing an organization’s direction, structure, and capabilities to serve the ever changing needs of external and internal customers. Burnes (2004) views change as an ever present feature of an organization’s life, both at an operational level and strategic level. Organizational change cannot be separated from organizational strategy or vice versa.
Organizational change has also been referred to as organizational development and organizational transformation (Cummings and Worley, 2005). Due to the importance of organizational change, its management was becoming a highly required managerial skill (Senior, 2002).

1.1.1 Organizational transformation
Organizational transformation will transition between organizational states that differ substantially in crucial features such as strategy and structure. From a practical standpoint, organizational transformation may be critically important in establishing appropriate internal and organization-environment alignment, which in turn influences organizational performance (Wischnevsky & Damanpour, 2006).

Samentery (2006) describes organizational transformation as a term referring to such activities as re-engineering, redesigning and redefining business systems, and goes ahead to identify three types of transformation: the improvement of operations to achieve quantum improvements in efficiency; strategic transformation to regain sustainable competitive advantage; and corporate self-renewal for change agility. All the above three are changes that can be initiated in an organization, but their successful realization was what brings about a transformation. In essence, while change may be unplanned and reactive, transformations are rather deliberate initiatives and are more proactive than reactive.

While change may be continuous and constant in the life of an institution, transformation are complex, multi-dimensional processes (http://www.authenticityconsulting.com) consciously driven by the leadership and often have specific goals to realize. In the same vein, a post by Steven Ditchner et al. (1993), describes organizational transformation as a strategic activity meant to turn separate change initiatives into balanced, integrated refocusing exercise. It was virtually everything about the way we do business must change’ ’and must be guided by a tested framework, clear roadmap and guiding principles (Seidman & Michael McCauley 2008).

The post quips that while change might be spontaneous and rather disjointed, transformations are more integrated and strategic. They identify some ‘‘three axes of change’’ and indicate that while change may focus on only one of them,
transformations isl focus on all the three. The three axes include: Top-down direction setting for organisational focus; Broad-based bottom-up involvement for performance improvement and a cross-functional core process redesign to link activities, functions and information. Proper management of these three axes forms the basis for a transformation. They indicate that together these three forms the ‘transformation triangle’ – a balanced, integrated framework for combining separate initiatives into a coherent overall program and that no single change initiative will offer magic bullet to unfreeze and redirect an organization.

The rate of change in today’s business environment has been increasing for many years. In the more recent of those years the Internet, e-business and an organization-led recession have hit the business world much like the meteorite which devastated that of the dinosaurs. Long established companies which continue to make small evolutionary changes in reaction will disappear sooner than they think. If a company was continually going to survive, it must continually change. It must be in a position to react quickly to what was happening around it, and it must be prepared to do so (Mcguire, 2015).

Due to the importance of organizational change, its management was becoming a highly required managerial skill (Senior, 2002). Graetz (2000) argues that against a back drop of increasing globalization, deregulation, the rapid pace of technological innovation, a growing knowledge force and shifting demographic trends, few would dispute that the primary task for management today was the leadership of organizational change. Hayes (2007) perceives management as being about modifying or transforming organizations in order to maintain or improve their effectiveness.

This deliberate conscious use of strategies is characteristic of change management. Change management is the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted timeframe and with the desired results (Dawilland Holland, 2002). Todd (1999) perceives organizational transformation as a structured and systematic approach to achieving a sustained change in human behaviour within an organization. For any identified changes to be successfully adopted, merely introducing some new pieces of equipment, or a new process, was unlikely to have
any major impact on the organizations performance unless introduced as part of an overall and coordinated change process. Kelvin (1992) identifies effective change management program as involving mission and strategy, stakeholder support, development of the right organizational structure and culture, introduction of new technology, designing of new individual roles, reward systems and management processes. Improved organizational performance is not only about the application of hard and fast rules for achievement Senge (2006). In fact separating managers from leadership in terms of style is difficult because every manager needs to have leadership skills to get activities done and every leader should have managerial skills to induce workers to change directions. This is especially important in organizations or institutions which are going through change since constant motivation and guidelines are needed for effectiveness of employee performance (McLagan, 2002).

In Africa, change was inevitable. Most African countries have undergone series of changes. Electricity in Africa have gone through tremendous changes due to growth and expansion of energy sector. In order to compete globally, energy sector have embraced change management factors such as culture, technology, leadership and structure which affects both employee and organizational performance. In on to remain competitive energy sector have adopted transformation strategies that may influence performance (Olubayo 2014).

Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success (Dave. and Urich, 2011). With a strong organizational culture, employees do things because they believe it's the right thing to do and feel they'll be rewarded for their actions.

However, if the leadership team lacks integrity or squelches diversity, powerful cultures can morph into cults, cliques, castes and insider clubs which hampers organization productivity. Organizational culture is a series of values, standards and beliefs (Handy C.B, 1986). Organizational culture was implicit, invisible, intrinsic and informal awareness of the organization which directs behavior of individuals and
which results from their behavior and it determines how the organization will perform. (Scholz, 1987 pp.80)

1.1.2 Organizational Performance
Today government and private institutions are facing many challenges in many areas of operation, this was mainly due to stiff competition and lack of change or even failing to implement change if at all change has been introduced. Rapid environmental changes, competition to provide innovative and competitive products and services, changing customer and investor demands and globalization have become the standard backdrop for firms.

It assumes that performance was primary goal of organizations. When performance falls below aspirations, it provides feedback that prompts organizational actors to engage in a search for new approaches. Performance gaps are particularly likely to occur in the wake of an environmental shift. Radical changes in technology, regulation, or competition alter the opportunities available to organizations and introduce new threats that organizations must confront (Newman, 2010).

Firm performance was positively impacted by the presence of organizational transformation practices which tend to create a significant contribution on organizational competencies, and this in turn becomes a great boost for further enhancing innovativeness. According to Horngren (2000) and Anantharaman (2003), organisations link the maximisation of performance with change management practices. As a result of intensive competition, shorter product life cycles, volatile product and market environments, firms constantly search for newer sources of competitive advantage, one of the most important being change management practices, that has the potential to improve and determine an organization’s fate (Kelliher & Perrett, 2001). In this study performance was defined by increased productivity, efficiency, effectiveness and employee satisfaction.

Although most studies speak of change practices leading to performance, such a one way line of thought was unsatisfied (Edwards & Wright 2001). The usual key critique of Change management and performance was that sound theoretical developments that explains how such organizational transformation operate was absent (Becker &
Gerhart, 1996). Accordingly, a better understanding of the role of change management in creating and sustaining organizational performance and competitive advantage should be achieved through further theoretical development and empirical evidence (Amstrong, 2009).

1.1.3 Transformation in the Energy Sector

The traditional bundling together of the electricity production functions of generation, Transmission and distribution has caused clutter and sluggishness in service provision. The vertically and horizontally integrated monopoly structure of the government have for years dominated the energy sector. These kind of conventional structure typologies appear not to have produced sufficient service benefits. The concentration thereby has been recipe for inefficiency and slow turn around. Instead according to Bhagavan (1999), the sector has recorded unsatisfactory technical, financial and staffing performances, turning into loss-makers whose survival has constantly depended on bail-out arrangements. This state of affairs has called for a radical surgery into the re-structuring of the sector players. (Bhagavan 1999).

The emergence of the Independent Power Producers (IPPs) has been another development that hit the otherwise public dominated sector by storm. This caused the key players to transform their orientation into a more business-oriented thinking owing to eminent competition. Bacon (1994) wrote that the entry of IPPS meant the opening of power generation to competition in some form. The IPPs took to auto generation or free generation model (as opposed to co-generation) which allows them to invest in generation and sell power to the central grid. With this development, what earlier appeared to be a shear service provision turned into a business undertaking that attracted other players.

According to a World Bank Report of 1995, a number of studies were conducted in the sector to find out how such reforms have been pursued by individual countries and reforms preferred. Such reforms have taken place in many countries in sub-Saharan Africa including Uganda, Tanzania, Malawi, Zimbabwe and Kenya, lately. Most countries in Latin America and South-East Asia have already implemented their reforms. In Thailand, a resolution to privatize the power sector was approved in 1992.
Similar reform process commenced in Chile in 1978, and included staged privatization. Bacon (1994) further explains that such moves have come along with risks and benefits in such areas as ownership, control, liability and tariff setting and all are bound to have their specific implications on staff working in the sector. For instance, the process in Chile which entailed both vertical and horizontal separation within reach of the stages, encountered transition problems in the process of creating a competitive market structure. Similar moves in Cote d’Ivore in the 1990s brought many improvements in the company’s (Compagnie Ivoirienne d’ Electricite – CIE) overall performance and registered huge gains in productivity. Power losses reduced from 20-17%, average outage came down from 50 to 18 hours per system failure (World Bank, 1995), and shareholders received increases up to 10% in annual dividend. Such development gains have motivated similar moves in other countries in the region.

A Tanzania case on the essence for restructuring cited factors ranging from low access to electricity (at 6%), Capital intensive nature of the electricity sector alongside other external factors like the change of policy in the Soviet Union in favour of the private sector, UK ideology change de-emphasizing the private sector, multilateral source of power sector financial source change of approach, e.g. the World Bank stressed commercial principles. These factors couple with a study advancement of technology allowing for new entrants to produce power below the average cost established utilities, a spreading enthusiasm for private ownership of utilities and the introduction of competition as a substitute for regulation in certain parts of the sector as a means to improve efficiency and a clamour for lower costs propagated the reforms (World Bank, 1995).

In Ethiopia’s case (1998), the Ethiopia Electric Light and Power Authority (EELPA), cites the existence of sufficient technical skills to construct the utilities but lacked the forecasting and integrated planning skills required to develop a least cost system. Thwilwila replica of the case of Zambia where restructuring wilpreferred so as to suffice for prevalent brain drain in the sector further south, to Botswana. In essence utilities throughout the world have been undergoing structural transformation with a view to introducing a competitive atmosphere in an industry which had for long a
natural monopoly. Considerations have been explored to give out these utilities on management contracts with specified tariffs and a target number of new customers to be serviced if performance efficacy will be attained (Carney & Child, 2012, Economist, 2012a, 2012c).

On the other hand, the structural reform path calls for the vertically integrated utilities to separate functional units where, for instance in the power sector, generation will be separated from transmission and transmission likewise from distribution – the process of unbundling. The process that saw the creation of KenGen from Kenya Power and Lighting Company Ltd. Horizontal separation will also possible within each of the organization’s functional stages whereby the internal organizational structure of the firm restructured to suit certain objectives of the organization. According to a paper by A Srivastava and M. Shahidehpor (IEEE Power Engineering Review, 2002), the kind of differentiation that establishes organisation’s ability to create value. The kind of restructuring occasioned in KenGen’s transformation project and which the paper seeks to explore in further detail.

In mooting its transformation agenda, KenGen appears to have borrowed a leaf from these developments and set out to position itself to face and overcome the eminent challenges presented by the developments thereof. Essence to operate the company as a business, rising power needs, urge to cope with technology upsurge, coupled with a stakeholder demand for efficient services and wealth creation make it to the reasons for a transformation through clear change initiatives (KenGen Board, August 2007).

1.1.4 KenGen’s Transformation Journey
In the year 1997/8 KenGen was hived off from the Kenya Power and Lighting Company –KPLC. The new public company was to take charge of the electricity generation function while the KPLC would retain the transmission and distribution functions. Subsequent significant changes in KenGen’s operating environment forced the Company to moot a transformation initiative – the Good - to - Great (G2G) transformation in the year 2006. The transformation was to be championed by the McKinsey Consultants. According to available data concerning the transformation, the push for a transformation was largely occasioned by; changes in the regulatory environment owing to creation of the Energy Regulatory Board (Now Energy
Regulatory Commission); the establishment of a new energy law (the Energy Act 2006); competition from emerging Independent power producers – the IPP’s; a rising demand for power, as well as a resounding deepening of operating and maintenance systems in the market arena. The Company requires to transform and align its operations with the emerging new order as it seeks to continually meet the expectations of its stakeholders, customers and the Kenya Populace. The Kenya Engineer (2009) features an excerpt on the challenges facing the energy sector in Sub-Saharan Africa. The citation argues that in order to measure up to rising challenges in the sector, there was need to establish a robust management approach involving both the governments as well as the utility service providers. Thwil would be a critical enabling factor in the delivery of electricity in the midst of power sector reforms.

The Journal argued that to break away from the over-dependence on the least cost Power Development Plan (LCPDP), which wilbased on the projected Gross product growth rate, players in the energy sector ought to seek alternative enablers to their business. It wilnew thinking that pushed KenGen to opt for transformation. (Session paper No.4 OF 2004).

In the Initial Public Offer (IPO), the government offloaded 30% of its shareholding at Kengen to the public. The privatization move would expose the company to shareholder pressure and a need for improved internal efficiencies; mechanism to minimize stage and an increased productivity. Consequently, Kengen profiled new objectives geared towards; adequate and reliable power, delivery of returns to shareholders and affordable power. Out of such developments, the company realized a need to transform and create more sustainable value to its clientele. In 2006, they mooted the Good to Great transformation that would define its mode of operation going forward. This transformation would institute a turnaround in all its aspects of business delivery: the strategy, structure, systems, policies and practices. (Isliam Seidman, Ph.D, Michael McCauley – 2008).

Consequently, the Company contracted Mckinsey consultants to drive its transformation agenda and define its future trajectory path. The new strategy sought to deliver up to 2000MW over a 10 year period in line with the Country’s Vision 2030. Most of the power was profiled to come from the Company’s geothermal
Sources, (Kengen management report 2007). The consultant started with an identification of specific challenges facing the Company’s business operations. They pointed out changes in the regulatory environment; the establishment of the Geothermal Development Company, hived off from Kengen and changed procurement laws as leading drawbacks. Further challenges entailed a growing performance pressure which included high financial performance expectations from the new private investors brought in through the IPO, a growing pressure to produce cheaper power, a significant growth in demand for power and a drive towards an increased electrification. The hyped regionalization agenda on the sector faced with a growth in market capacity coupled with the development of a regional interconnecting grid, and a significant capacity expansion in the region were equally critical challenges to be addressed. (Government Session Paper no. 4 on Energy, May 2004.)

McKinsey consultants developed a robust strategic plan leveraged on a reduction of the overall cost position of the company: a road map to transform the company into a performance-driven organization, and an urgency to build internal capacity to relentlessly drive implementation of the strategy. (McKinsey 7S Model; A strategic assessment and alignment model, April 24, 2011.). The G2G Transformation Strategy singled out four critical areas (strategic pillars) supported by a strategic support beam all geared towards realization of the new transformative objectives.

The four pillars included; Overall Strategic Direction which focused on the realization of a performance-driven organization; Capital planning and Execution strategy meant to ensure capacity expansion so as to meet rising power demands and right decision concerning generation: Operational Excellence which entailed a focus on operational execution and organizational efficiency towards affordable and reliable power, and the Organizational Health strategic pillar meant to ensure efficient support to the strategic pillars by ensuring a human capital readiness, the provision of adequate and optimal budgets and budgetary control but despite the all this inputs the performance was still wanting. (Overview of Power Subsector in Kenya, 2012).

In a bid to ensure a turnaround in the Company’s efficiency and improved internal services, the consultant emphasized on need to restructure its operating systems, chains of command, skilling levels as well as heighten its agility for change through
an improved change readiness training. The Company’s bid to changing most of its critical aspects of business operations called for dexterous management of change. This development that warrants an in-depth investigation to be able to point out its notable milestones and success rate of the approaches employed thereabout.

1.1.4 Operating Environment
State-owned enterprises remain relatively underexplored by management scholars yet they play a centre role in the global domestic product. A review of the existing research from organisational behaviour, economics, sociology and political science on the effects of Governments on Organisation and management, with a focus on how governing ideology and government capability influence independent organisations’ forms, strategies and their behaviour. In the recent decades there has been increasing attention to the effects of governments on other Organisations and their management. Particularly in the sub-disciplines of international business, strategy and social issues in management, Scholars are beginning to recognise the effects of governmental practices on a wide range of Organisational Phenomena. This recognition was reflected in part by two “Academy of Management – Review “special topic forums in 2005 and 2007 (Pearce, Dibble, Klein (2009)pp. 504.).

The existing research on State-owned Enterprises’ (SOE) has tended to view state ownership in black-and–white terms – that firm was either state owned not (Komaii, 1992; Shleifer,1998) –and if state owned, its management and governance falls under the governments complete ownership and control, thus overlooking the new trend towards greater flexibility. As a result of changing Operating environment, Kengan Company Ltd, was founded on 2nd October 1998 following energy Sector reforms that was followed by the unbundling of the Sector Players. Kengan initially started as a fully owned Government entity but in 2006, it offloaded 30% of government shares to the public through a successful initial public offer (IPO). This study seeks to determine the impact of the operating environment on the performance of Kengan Company Ltd as far as Industry regulation, legal frameworks and competition are concerned.

1.2 Statement of the problem
Although the successful management of change was accepted as a necessity in order to survive and succeed in today's highly competitive and continuously evolving
environment (Luecke, 2003), Balogun and Hope (2004) report a failure rate of seventy percent of all change programs initiated. Poor success rate indicate a fundamental lack of a valid frame work on how to implement and manage change as what was currently available in the energy sector was a wide range of contradictory and confusing theories and approaches. In its response, Kengen Company Ltd, was charged with the responsibility of Generating Electricity by the Government decided to off-load 30% of Government’s shareholding to the public through a public listing at the Nairobi Securities Exchange. This action was to open up avenues for capital raising for its expansion strategy and growth dream. In its quest for growth, the company embraced a change/transformation strategy through a good to great programme. The good to great strategy (by Jim Collins 2001) proposes a review of a Company’s strategy, structural reorganisation that put focus on operational excellence and proper investment plans. Kengen Company Ltd, in its quest to create value for its shareholders and assist the Government fulfil its commitment for cheap and reliable access to electricity by consumers decided to undertake an elaborate transformation journey that shall bring changes in its performance. This study therefore investigates the changes that have taken place in the company and how they were implemented and whether it has had any impact on its performance.

Despite the efforts made to introduce change in the way energy sector was managed, effective implementation of these changes and their management still remains questionable within Kengen Company. Poor execution of drivers of effective change management was still seen as a key hindrance towards achieving improved organizational performance. UNDP (2006) conducted a study on institutional reform and change management with focus on organizational transformation in public sector organizations. Case studies from across the globe were considered. It was concluded that public sector organizations, just like energy, are often perceived as resisting change due to the difficulty of precise definitions of their results and the uncertainty of their outcomes. Ngisi (2012) conducted a similar study to find out Factors Affecting Management of Change in Public Secondary Schools in Masinga District. In both of the above cases there was no focus on establishing the implication of change management on Organizational performance. Korir et al (2012) focused on change management and Organizational performance in selected Hotels in Nairobi.
Availability of adequate and reliable power generation in any country forms the main backbone of its economic development. Most industrialized countries have been propelled by readily available cheap electricity that enables them manufacture very competitive goods in any market. Quality of life was also improved by easy access to cheap power. Through vision 2030, the government made a commitment to provide cheap, reliable and readily accessible electricity to spur growth in the country. For a long time, electricity generation in Kenya was considered strategic and kept under the management of a Government controlled parastatal body called Kenya Power and Lighting Company Ltd. Financing of Generation facilities was done by and/or through the Government. Due to limited financial resources and exponential growth demand for electricity, the Government was eventually forced to reduce its control on electricity Generation by unbundling the sector. This action was aimed at addressing two main challenges facing the sector: Liberalize Power Generation sector and allow participation by private investors with financial capabilities. Introduce competition with aim of improving efficiency in Government Institutions and lowering electricity tariffs for the benefit of the end consumers.

1.3 Objectives of the study

1.3.1 General Objectives
The purpose of the study was to establish the effect of the organizational transformation on Performance of Kegen Company Ltd.

1.3.2 Specific Objectives
(i.) To establish the effect of operating improvement on the performance of Kegen Company Ltd.
(ii.) To determine the effect of corporate self-renewal on performance of Kegen Company Ltd.
(iii.) To establish the effect of corporate culture change on performance of Kegen company Ltd.

1.4 Hypotheses
H₀₁ There is no relationship between operating improvement parameters and the Performance of Kegen Company Ltd.
H₀₂ Corporate self-renewal has no impact on the performance of Kegen Company Ltd.
There is no relationship between corporate culture change and the Performance of Kengen Company Ltd.

1.5 **Significance of the study**

The study will largely benefit the Government and especially the energy sector institutions which shall use the findings of this research work in their long term development plans and Policies. The decision by the Government to unbundle the Electricity sector and introduce private sector players into the industry is a major leap in its development strategy. The change brought a lot of pressure to the state corporations including Kengen Company Ltd to relook at their work processes to enable them meet the expectations of their stakeholders.

This study therefore shall benefit Kengen company Ltd and all its employees. It shall also benefit all the stakeholders including shareholders and investors interested in working and investing in the energy industry, particularly Kengen Company Ltd. It will also benefit other research students handling change transformation studies, scholars and researchers with specific interest on change strategy, impacts of change on institutions and how some of them have responded.

1.6 **Scope of the study**

No single study can exhaustively cover change and transformation in a sector that will undergoing disbanding and institutions getting privatized while facing competition from new entrants. This study focuses on transformations that have taken place at Kengen Company Ltd. The study shall focus in Kengen’s Olkaria area which hosts 1200 employees of Kengen. The target population represents the demographic spread of the Kengen Company Ltd. A representative 10% of the target population shall form the sample size in this study.

1.7 **Limitations of the study**

Several limitations are envisaged during the study. This being a posthumous study may not excite the organization’s personnel who are entangled in their routine office and field work. As a result, the members were not extending maximum commitment to the project and thus unavailability of critical data due to low response rate was a challenge to reckon with. Historical data was not be easily retrievable when doing the
study. Some of the respondents concealed the real information but the researcher persuaded the respondents to be truthful by explaining the purpose and benefits of the study. Adequate time was spent to disseminate information on the importance and benefits of participating in these study. Primary sources of information such as previous and current power generation data from existing records and secondary sources such as annual reports, magazines and handbooks was used to supplement data collection exercise. Government publication, company annual reports, existing survey reports will be used to build up the data collection. Government publications are mandatory resources for many business research projects (Business research methods by Donald R. Cooper/. Schinder, (2005).

1.8 Organization of the proposed study
The structure of the these proposal was follows; Chapter one provides the background of the research study, statement of the problem, research objectives, research hypothesis, significance, scope and limitations of the study. Chapter two presents the literature review while chapter three presents the research methodology which will be employed in the study. Chapter focuses on data analysis, finings and discussions while chapter five focused on summary, conclusions and recommendations.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study. Theory provides concepts to name what we observe and to explain relationships between concepts. Theory allows us to explain what we see and to figure out how to bring about change. Theory is a tool that enables us to identify a problem and to plan a means for altering the situation. This study is supported by Kotters eight step theory, The Mckinsey 7s Model and The ADKAR Model.

2.1 Theories Underpinning the Study

2.1.1 Kotter’s eight step model
Kotter’s (1995) strategic eight-step model for transforming organizations. Kotter (1995) described a model for understanding and managing change based on his experience in several organizations. He noted the many difficulties associated with change efforts, distilled the common themes and turned them around into a prescriptive framework. His model is aimed at the strategic level of the change management process and is best viewed as a ‘vision’ for the change process.

Kotter’s first step is to stress the sense of urgency. To him, a sense of emergency motivates personnel and builds a sense of realism for the sake of changing efforts and goals. Kotter’s second model was to form a powerful coalition. It was meant to convince people that change is inevitable. This normally requires strong leadership and support from key people within the organization.

Kotter’s third step was creating a vision for change vision. Its formulation serves as a clear vision that helps everyone understand the change effort, making strategies on how one is to achieve each stage of the change. Kotter’s next step targets communication of the vision, recommending one should involve key-influencers from as many facets of the change process for their individual buy-in, communicating with clarity in the entirety of process. Kotter’s fifth step entails capacitating others to participate in the
vision. This phase entails eliminating change obstacles, preparing for the future, concentrating on putting in place the structure for change, and continually check for barriers to it. This act of removing obstacles can empower the people you need to execute your vision, and it can help the change move forward. Change initiatives should be broken up into smaller controllable partitions that can be assessed for completion and success (Hiatt & Creasey, 2003).

The seventh step of Kotter’s framework involves consolidating improvements and producing more change. The goal at this phase is concentrated on change systems, policies and procedures that inhibit the vision, hiring, promoting and developing people who can implement the vision. The final step of Kotter’s model involves institutionalizing new approaches, clarifying connections between new behaviors and corporate success. At this step leadership advancement and succession is also of emphasis. The net effect of the value shift is that change management is needed more today than before because of the new value system and moreover, change management as a discipline must address both the organization as a whole and individuals.

### 2.1.2 The Mckinsey 7s Model

The model was developed by Mckinsey in 1982. While Pascal and Athos (1981) were the proponents of the model, Peters and Waterman (1982) gave it a further more focused perspective. The model is essentially used in determining an organization’s positioning towards achievement of its objectives. The model has today been preferred by many organizations due to its persistence in enabling organizational change initiatives.

The Mckinsey 7s model is premise on some seven organizational attributes whose alignment is critical for the realization of effective performance. They prioritize strategy, structure, system as “hard” elements and shared values, skills, style and staff as “soft” elements. The proponents emphasize on the seamless interdependence of the elements which they see as mutually reinforcing. In light of the proponents, proper alignment and the interrelationship between the variables, impact organizational change.
The model describes strategy as the representation of the organization’s plan as devised to maintain competitive advantage while structure denotes the organization’s reporting relations in view of communications flow and delegation of authority. Systems on its part underscore the daily activities and procedures that employees engage in to get the job done. On the other hand, the soft aspects which entail the shared values, styles, staff and skills underline human relations that affect performances within an organization. The shared values originally known as the ‘super-ordinate’ goals,’ are the core values of an organization as evidenced in the corporate culture, behaviour and general work ethics. The model considers these as the lynchpin forming the basis of the vision of the organization and influences all other elements. While styles depict the leadership methodology adopted in the organization, staff refers to the employee base and their capabilities, and border on skills which refer to the knowledge, experience and competencies possessed by employees in the organization.

According to the model, it is the proper alignment and sustenance of these variables that is critical in the initiation and progression of successful organizational transition because the elements are interdependent and constantly interact with each other. The Mckinsey 7s model has been used as an engine to occasion organizational changes; in the evolution of change strategies and focus areas. For Organisations to perform well, the seven elements have to be aligned in a way that is mutually reinforcing. The model is applicable in diverse situations of organizational improvement in performance and maintenance of aligned performance (Peters and Waterman, 1982).

The model is applicable in any type of change including restructuring, new process, mergers, new systems, change of leadership, etc. In its application, the model lays emphasis on the examination of likely impact of future changes; alignment of structures & processes, and strategy implementation. It helps institutions explore and determine the best fit that will exhibit congruence in any preferred type change. It provides a framework for occasioning internal positioning in review of desired change and is highly inward looking giving less emphasis to environmental implications (Peters and Waterman, 1982).
The 7s model can be used in the elements of a team or a project as well. The 7s model is used to help analyse the present state, a prospective impending situation and to determine gaps and disparity between them. It then raises inquiry on the adjustment and tuning of the model to ensure that the organization works in an optimum way and well once it reaches the desired end point. The 7-s model is a satisfactory framework that helps one to inquire rightly, but it will not provide sufficient answers. For that, one needs to combine the right judgment, expertise and experience needed to propel the company to greater heights and prosperity.

2.1.3 The ADKAR Model
The ADKAR model was developed by Prosci inc. in 1999 and has highly been acclaimed to present an excellent framework for managing especially individual change. It has equally been used in managing and guiding organization change without success. The model focuses on the facilitation of change in the individual person who is the smallest and most influential unit of change.

The model points out five basic building blocks or outcomes of a change management process whose abbreviation form the term ADKAR. These are: Awareness which emphasizes on essence to be conscious of the necessity of change; Desire – the urge to take part and back; the knowhow on how to change; the capability of implementing necessary abilities and mannerisms and Reinforcement to sustain and make the change stick. The model matches up these change outcomes (the A.D.K.A.R) with requisite change activities that change leaders need to put in place for successful transitioning to happen. The ADKAR change management model characterizes the process for individual change in five key stages which consist of; Awareness of the necessity of change, Desire to participate and support the change, Ability to use new skills and behaviours and finally Reinforcement to keep the change in position. This model captures how one person goes through change (Hiatt and Creasey – 2003).

Awareness is the first step in the management of change and calls for clear articulation of the need (business case) for change. The change leader is expected to ensure an overview of the current state and clearly point out the inevitable need for change as well as possible recourse for not changing. This stage has been viewed to be highly patronized by sponsor pronouncements about the change, informed and
timely coaching and communication. The result of discounting the individual aspect of change is that some groups remain behind, and in many cases, the timing and content of messages is inadequate. Individual change management must be part of the comprehensive program.

It is important to communicate the necessity for change in business and why the change is imperative; provide the imperative reasons for the change and accentuate the risk of not altering. A person’s opinion of the current state is the most predominant influence on the acceptance of an awareness of change, although those strongly adopted in the current state may discredit the reasons for change. An individual’s intellectual style influences how they tend to see the necessity of change and how they fix problems.

The credibility of the individual creating awareness messages as well as the organization’s history with change will greatly influence the acceptance of the awareness message. The occurrence of misinformation creates propaganda in the background conversation which could then halt the endeavour of creating awareness of the need for change. In other instances clarifying the misinformation presents a challenge in change awareness. The awareness of the need for change is manageable in the existence of external and discernable drivers. Changes directed by internal drivers or by arguable logic face greater opposition in building awareness. (ADKAR by Jeffrey Hiatt -2006.) As an aftermath of Awareness, Desire depicts willingness to take part in the preferred change owing to adequate information and understanding of the substance and essence for change. Desire as an outcome of change management is basically anchored on coaching and resistance management. Change is a process that needs to match the speed at which employees navigate the change process to the speed of the business change. The desire to support and participate in a change is based on the nature of the change and what is in it for individuals involved, how they perceive the organization and their surroundings that are undergoing change, what motivates them including their expectations that they can be successful and realize the change.
Knowledge is the stage at which the recipients of change are meant to be equipped with requisite skills in order to navigate through and administer the change. Much of this aspect of change is driven through coaching and training activities. Ultimately, the direct supervisor has the most leverage over an employee’s drive to change compared to others in the work place. Training is therefore the cornerstone for building knowledge about the change and required skills. The ability stage is again an aftermath of acquisition of requisite knowledge that heightens readiness and resourcefulness to meet and occasion the change. This is the ability to exhibit required behaviours and actions. Ability is essentially enabled through coaching. Organizations could have and sufficiently use equipment and systems to manage change and personnel having training in succeeding as change agents who use their skillset to realize change and barriers to the change.

Psychological wellbeing physical capabilities, intellectual strength, time and resources have influence over the potential of developing new abilities. When employees are unaware and lack the desire, they tend to resist, delay and adopt change at a slower rate leading to slowed implementation. This reality then projects a likelihood of failure. With the lack of knowhow and capabilities organizations utilize less and leads to decreased productivity and impacts customers negatively. When there is no support personnel tend to lose interest and resume old mannerisms.

Reinforcement is the final and equally important step that calls for institution of requisite steps to ensure the change sticks and no relapse to old ways. It is the stage for rewarding performance and celebrating success. The organization should facilitate and award fruitful change through its culture, values and initiatives; bracing change competency is enhanced and defiance to change is distinguished and handled. Much of reinforcement is as a result of sponsor actions, coaching and communication (Change management by Jeffrey Hiatt and Timothy Creasey -2003).

The ADKAR model has been acclaimed for its simplicity and ease of use. Upon understanding the five elements of effective change, the change management team is required to conduct a change readiness assessments which unveils crucial advance milestones of a change event. The assessment are meant to establish level of preparedness and points out the barrier point to change. It guides on an assessment
that reviews the entity’s standing in as far as the five change building blocks (Awareness, Desire, Knowledge, Ability and Reinforcement) are concerned.

The first parameter on which readiness score is found to lie below three (out of possible five) is considered the barrier point to change. The model recommends that this is the parameter requiring immediate attention to take the change effort back on track. Corrective action is leveraged on tapping on due activities as matched up to the change outcome (Awareness, Desire, Knowledge, Ability and Reinforcement). Other lowly scored parameters shall subsequently be addressed to ensure success of the change initiative. Once all barrier points have been addressed, the change leaders shall progress on to initialize the desired change initiative. (Prosci ADKAR Model c2017).

It is worth noting that each ADKAR element is matched up to project or business improvement steps right from idea creation to planning, to Design, to implementation, to post-implementation for an effective outcome. The model further reiterates the criticality of knowledgeable and credible change management teams; the involvement of the subjects of the change and an actively visible sponsorship. This model presents a framework for assessment as well as the implementation of all levels of change; individual, team as well as institutional change. It is basically a model for deployment rather than planning.

2.2 Empirical Review

2.2.1 Corporate self-renewal and performance

Corporate renewal is a firm’s transformation in terms of changing its scope of business or strategic approach (Zahra, 1996); it is broadly defined as the “transformation of organizations through renewal of the key ideas on which they are built” (Guth & Ginsberg, 1990 p. 5). More restrictively, Covin and Miles (1999, p. 52) define corporate renewal as “the phenomenon whereby the organization seeks to redefine its relationship with its markets or industry competitors by fundamentally altering how it competes. They distinguish between corporate renewal and organizational rejuvenation, in that with the latter, the firm seeks to improve its competitive standing by altering its processes and structures. In this paper, following
Guth and Ginsberg (1990), we use the broad definition of corporate renewal and refer to the entrepreneurial phenomena that entail strategy and/or organizational changes.

Hao, Kasper and Muehlbacher (2012) conducted a study in Austria and China on the relationship between organizational structure and performance, using organizational learning and innovation. A theoretical, conceptual and structural equation model was done using a questionnaire and a sample of 90 Austrian and 71 Chinese samples. Data analysis was done using Partial least squares and results tested. The findings stated that the Organizational structure had more effects on organizational learning than on innovation, organizational learning had indirect effect on performance through innovation. This study used structural equation model while the current study used regression for data analysis.

Dauda and Akingbade (2011) study on employee relation could be employed for technological change management. Further it sought to determine effective method of using technological innovation for improved performance in the manufacturing industries of Nigerian. 1256 questionnaires were distributed to 30 selected manufacturing industry in beverages, textile, steel, cement and chemical industry in Nigeria. Findings revealed that employee relations do not have significant relationship with technological change. This used manufacturing companies to undertake their study while the current study is based on service industry.

Abbas, Muzaffar, Mahmood, Ramzan & Rizvi (2014) study on the impact of information technology on performance in Pakistan using of Allied Bank employees. Results showed that technology majorly increases the capacity of personnel and saves time too. It reduces errors and impacts workload. Fast access to information and passivity of application facilitates bank employees to deliver service of merit. The study encouraged organizations to apply new technology in providing proper training to its personnel increasing their operation.

An empirical study by Abbas, Muzaffar, Mahmood, Ramzan & Rizvi (2014) examined the effects of information technology on performance of Allied Bank
employees in Pakistan. The data was gathered through unstructured interviews. It was figured out that technology greatly escalates the productivity of employees along with time saving. It greatly affects the workload on employees and ensures control over mistakes and frauds. Quick access to information and ease of use enables the bank employees to deliver quality service. The study recommended that organizations which implement new technology should provide proper training to its employees to increase their performance.

Kute and Upadhyay (2014) examined the relationship between technological changes and its impact on employee performance in commercial printing industry. The study found that technological changes affect employee’s performance in various ways like redundancy, employee turnover and the level of motivation at work. It was noted that technological changes affected skills and performance of the employees in the commercial printing industry.

2.2.2 Corporate Culture change and Performance
Culture was defined as a mixture of values, sets, beliefs, communications and explanation of behavior that provides guidance to people (Awadh & Saad, 2013). Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the rules of the game for decision-making, structure and power (Wambugu, 2014). The study was of the view that culture will be based on shared history and traditions of the organization combined with current leadership values. Organizational culture has certain factors that improve sustainability on basis of effectiveness. The improvement in productivity leads to employee commitment as norms, values and objectives helps in improving culture of an organization. The system of organization was based upon effective establishment of culture that keep learning/work environment strong.

The performance of employees improves by establishment of strong culture of an organization. Employee performance would be considered as backbone of an organization as it leads to its development effectively. The loyalty of employee relies upon knowledge and awareness of culture that improves behavior of organization (Denison, 2004). Certain characteristics of organization culture have been established
in which set of norms, values and beliefs helps in perfect association between them. At different level of organization culture different background, ethics and racial differences impact upon performance. The norms of employees impact upon sustainable performance and management of organization culture as it leads to attainment of profitability (Baca, 2005).

The performance of employees improves by establishment of strong culture of an organization. Employee performance would be considered as backbone of an organization as it leads to its development effectively. The loyalty of employee relies upon knowledge and awareness of culture that improves behavior of organization (Denison, 2004). Nowadays organizational culture has generally been interrelated to management. The two essential factors that lead to effective culture management include structural stability and integration of superior standard of organization culture (Baca & Claudia, 2005). Certain characteristics of organization culture have been established in which set of norms, values and beliefs helps in perfect association between them. At different level of organization culture different background, ethics and racial differences impact upon performance. The norms of employees impact upon sustainable performance and management of organization culture as it leads to attainment of profitability (Baca, 2005).

Awadh and Saad (2013) investigated the relationship between organizational culture and performance. Literature review was adopted as methodology to assess the culture of an organization impacts upon process, employees and systems. The study found certain dimensions of culture have been identified so far and research shows that value and norms of an organization were based upon employee relationship. The study recommended that strong culture of an organization be based upon managers and leaders help in improving level of performance. Managers need to relate organizational performance and culture to each other as they help in providing competitive advantage.

A study by Wambugu (2014) analyzed the influence of organization culture on employee’s performance with a focus on Wartsila Limited, a private organization in Kenya. The study empirically tested the effect of the four elements of organization culture namely; organization values, organization climate, leadership styles and work
processes on the employee’s performance. The results suggested that managers should focus on the factors that have a significant effect on employee performance.

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2.2.3 Operational Improvements and Performance
Employees are the most important assets in organizations, which without, the goals and objectives may not be attained (Bello, 2012). Leadership was one of the key driving forces for improving firm performance. Leaders, as the key decision-makers, determine the acquisition, development, and deployment of organizational resources, the conversion of these resources into valuable products and services, and the delivery of value to organizational stakeholders. Thus, they are potent sources of managerial rents and hence sustained competitive advantage (Adler, 2001). Hurduzeu (2015) states that effective leadership involves encouragement, leadership, incentive, compensation and interpretive skills. When they are in play, institutions have increased employee satisfaction which then positively influences yield and benefit. When all these are present, he emphasizes that organizations record increased employee satisfaction that positively influences the productivity and profitability.
In order to increase the employee performance, leadership in universities need to have ability to promote creativity and innovation, stimulate the subordinates to challenge their own value systems and to improve their individual performance. Scholars and researchers also agree on the point that role of a leadership/leader was very important while managing organizations or addressing the issue of organizational change (Asghar, 2010). Numerous studies have reported positive relationships between organizational leadership and outcomes at the individual level and firm levels. Most recently, many empirical studies have reported that organizational leadership has a positive impact on follower performance and firm outcomes. A number of comparative studies have also reported that transformational leadership behaviours are more positively related to subordinate effectiveness in a variety of organizational settings than are transactional behaviours (Brockhaus, 2006).

Bello (2012) examined the concept of ethical leadership, the characteristics of an ethical leader and its impact on employee job performance and how organizations can develop leaders that are not only sound in character but sound in action. From various empirical literatures, the paper recommended that corporate leaders must ensure a strong culture within the work place, organizations should strive to hire ethical people and corporate leaders should reward ethical conduct and discipline unethical conduct.

A study by Abbas and Yaqoob (2009) examined the effect of leadership development on employee performance in Pakistan. The study was conducted considering five factors of leadership development, that is, coaching, training and development, empowerment, participation and delegation. The study found that the combined effect of these factors influenced employee performance with 50%. However, rest of the 50% contribution towards employee performance other factors such as: attitude, commitment, motivational factors, and trust in the organization, compensation, reward and bonuses that increase the employee performance.
2.4 Conceptual Framework

Figure 2.1, Conceptual Framework
Source, Researcher 2018
2.4 Conceptual Framework

The study was based on the conceptual framework represented in figure 2.1. The independent variables shall comprise operational improvements (Systems, Technology, practices and processes), corporate self-renewal (organisational structural changes, strategic policies and procedures and succession planning), and corporate culture change (shared values, leadership style, change preparedness and staff capabilities).
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter outlined the research methodology adopted that was applied in testing of research objectives and hypotheses. The chapter has the following subsections; the research design, target population and sample of the study, data collection instruments, data collection procedures, validity and reliability of the study instruments, data analysis. The chapter concludes with ethical considerations that guides the study.

3.1 Research Design
The study adopted a descriptive cross sectional survey design. It enabled the researcher to capture data at a given time of the study while minimizing temporal effect of the study variables so as to interpret the relationships among study variables (Namada et al., 2014). A cross sectional approach was preferred because it facilitates data collection from different respondents at one point in time.

Saunders, Lewis, and Thornhill, (2009) observed that cross sectional approaches are robust in relationship studies and enhance the credence of results. Data was collected using both primary and secondary sources. Each of these methods complimented one another by filling in data gaps which the other method was incapable of capturing.

3.2 Empirical Model
The study used a regression model to gauge the connection amongst independent and dependent variables. The findings from the analysis was sorted out, condensed and exhibited utilizing tables. Multiple regression models was utilized to interface the independent variables to dependent variables as outlined;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu \]  
(1)
Where;
Y = Performance
X_1 = operational improvements
X_2 = Corporate self-renewal
X_3 = Corporate culture change
\beta_0 = Beta coefficient (constant term)
\mu = Error term
\beta_1 - \beta_3 = Coefficient of independent variables
X_1 - X_3 = Composite index of independent variables

3.3 Target Population
Mugenda and Mugenda (2003) states that population refers to an entire group of individuals, events or objects having common observable characteristics, similarly Lumley (1994) defines population as a collection of all the subjects from which a sample was drawn. The target population for the study was drawn from all employees of Kengen Company, Kenya. The employees were categorized into three stratus, the top management, middle level management and all employees from various departments. Figure 3:1, below shows the units of analysis of each category in a tabulated form.

<table>
<thead>
<tr>
<th>Population category</th>
<th>Target population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>72</td>
<td>22</td>
</tr>
<tr>
<td>Middle level management</td>
<td>175</td>
<td>53</td>
</tr>
<tr>
<td>Employees</td>
<td>953</td>
<td>286</td>
</tr>
<tr>
<td>Total</td>
<td>1200</td>
<td>300</td>
</tr>
</tbody>
</table>

Source: Kengen Management Records (April 2017)
### 3.4: Sampling Design and Procedure

A sample is a representative group of the total population while sampling is the selection of only few items from the population (Kothari, 2004). Different researchers use different methods to determine sample size such as census imitating a sample sizes similar studies, published tables and applications of formulae (Singh & Masuku, 2014). The sample was determined by use of researcher judgement and the use of percentages on basis of previous studies and as prescribed by Zikmund (2003). In this study, the researcher employed Yamane (1967) formulae because it is simple, accurate and yields a representative sample. The Yamane (1967) formula is given as

\[ n = \frac{N}{1+N(e)^2} \]

Where \( n \) = the sample size  
\( N \) = the target population  
\( e \) = the level of precision or the error term at 95% confidence level.

This implies,

\[ N = 1200 \]  
\[ e = 0.05 \]  
\[ n = \frac{1200}{1 + 1200(0.05)^2} = 300. \]

Therefore, by employing the Yamane (1967) formula, the sample size for the study was 300 members of staff currently employed by Kengen at Olkaria Geothermal division.

#### Table 3.3 Sample Size

<table>
<thead>
<tr>
<th>Strata</th>
<th>Stratum Population</th>
<th>Multiplier factor</th>
<th>Sample size ( R = C \times S/P )</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Plant Operations</td>
<td>250</td>
<td>0.25</td>
<td>63</td>
<td>20.8%</td>
</tr>
<tr>
<td>Resource Development</td>
<td>320</td>
<td>0.25</td>
<td>80</td>
<td>26.7%</td>
</tr>
<tr>
<td>Drilling Operations</td>
<td>380</td>
<td>0.25</td>
<td>94</td>
<td>31.7%</td>
</tr>
<tr>
<td>HR &amp; Admin</td>
<td>100</td>
<td>0.25</td>
<td>25</td>
<td>8.3%</td>
</tr>
<tr>
<td>ICT</td>
<td>50</td>
<td>0.25</td>
<td>13</td>
<td>4.2%</td>
</tr>
<tr>
<td>Finance</td>
<td>20</td>
<td>0.25</td>
<td>5</td>
<td>1.7%</td>
</tr>
<tr>
<td>Supply chain</td>
<td>80</td>
<td>0.25</td>
<td>20</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1200</strong></td>
<td></td>
<td><strong>300</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)
3.6. Data Collection Instruments
Primary data was collected using self-administered questionnaires. The questionnaire was then used to gather views from management and employees of Kengan Company. The views and observations of the study variables were identified in the conceptual framework. Structured and self-administered questionnaires were used by the researcher so as to get first-hand information (Kanji, 2003). The questionnaire consisted of two parts. Part A for General information and Part B for indicators of independent and Dependent variables.

3.7: Data Collection Procedure
Primary data was collected using a structured questionnaire. The questionnaire was divided into two sections. Section A contains demographic information of the respondent while section B focused on organizational transformation and performance within the Kengan Company, Kenya. For each criterion, respondents were asked to evaluate the extents of organizational transformation on a five point Likert scale consisted of: 5-strongly disagree, 4-disagree, 3-neutral, 2-agree and 1- strongly agree. The drop and pick method was used to administer the questionnaire.

3.7Validity and reliability of instruments
3.7.1 Validity
Validity is used to determine whether research measures what it intended to measure and to approximate the truthfulness of the results. To ensure validity a pilot test was carried out using fifteen (15) employee of Kengan Company and the results were used to check for relevance, validity and correctness of the research questions. This helped in identification of ambiguous questions by relating the data collected to the parameters under investigation. For validity of the instruments, the researcher used face validity. Expert opinion was used from experts to evaluate the relevance and wording and clarity of questions in the instruments.

3.7.2 Reliability
Reliability covers the stability and repeatability of the research instruments to produce the same results every time it was used (Brink, 2006). The reliability of the study was ensured by using Cronbach’s alpha coefficient of internal consistency because it provides a unique quantitative estimate of the internal consistency of the scale.
(Zikmund, 2009). Accordingly to (Cooper & Schindler, 2007), for the instrument to reliable, the coefficient has to be above 0.7.

3.8: Data Analysis
Data was analysed by use of elements of descriptive statistics mainly the frequencies and percentages and presented basically in table. Responses from the open-ended questions and the interview were analysed by comparison of the responses through discourse analysis and flow tracking. The trends depicted hereby was used to make conclusions in regard to the research parameters. Findings were reported in tables and figures for easy interpretation and understanding; while qualitative data was reported by use of statistical summaries and narratives coded from the respondents open responses.

3.9 Ethical consideration
In this study, all respondents' information and identity were kept confidential and the information gathered was used for the intended purpose. Research was conducted with utmost good faith and with the consent of the respondents.
CHAPTER 4
DATA ANALYSIS FINDINGS AND DISCUSSIONS

4.1 Introduction
This chapter provides information on the study findings, respondent’s background information, descriptive statistics and inferential statistics.

4.2 Response Rate

<table>
<thead>
<tr>
<th>Table 4.1: Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Respondents</strong></td>
</tr>
</tbody>
</table>

(Source: Survey data, 2018)

As indicated in Table 4.1, 300 questionnaires were administered to the respondents and a total of 243 questionnaires were returned. This represent 81 % response rate. For generalization, Mugenda (2003) noted that a response rate of 70% and above was excellent. The response rate will therefore satisfactory to make conclusions for the study.

4.2.1 Demographic Information for the Respondents
In this section the researcher concentrated on respondent’s gender, department, working experience, education level and staff level. This information helped the researcher to know the factors that could have influenced the respondent’s answers.

4.4 Respondent’s Gender
In this study majority 184 (75.7%) of the respondents were male while female respondents were 59 (24.3%).
Table: 4.2 Respondent’s Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>184</td>
<td>75.7</td>
<td>75.7</td>
<td>75.7</td>
</tr>
<tr>
<td>Female</td>
<td>59</td>
<td>24.3</td>
<td>24.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The findings on this study show that there was no gender balance in this study. Based on the findings it will probable to conclude that majority of the employees at Kenge are male. This was possible since it was engineering based organization.

4.2.2 Respondent’s Department

In this study the results showed that Infrastructure and Resource Development department had the highest number of respondents (28.8%) followed by Operations and Reservoir Management both at 18.5%. Supply chain and property departments had the lowest number at 4%

Table 4.3 Respondent’s Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>45</td>
<td>18.5</td>
<td>18.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Infrastructure and Resource Development</td>
<td>70</td>
<td>28.8</td>
<td>28.8</td>
<td>47.3</td>
</tr>
<tr>
<td>Drilling and Logistics</td>
<td>27</td>
<td>11.1</td>
<td>11.1</td>
<td>58.4</td>
</tr>
<tr>
<td>HR and Administration</td>
<td>20</td>
<td>8.2</td>
<td>8.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Steam Field and Reservoir Management</td>
<td>45</td>
<td>18.5</td>
<td>18.5</td>
<td>85.2</td>
</tr>
<tr>
<td>Finance</td>
<td>17</td>
<td>7.0</td>
<td>7.0</td>
<td>92.2</td>
</tr>
<tr>
<td>Supply Chain and Information</td>
<td>4</td>
<td>1.6</td>
<td>1.6</td>
<td>93.8</td>
</tr>
<tr>
<td>Communication Technology</td>
<td>11</td>
<td>4.5</td>
<td>4.5</td>
<td>98.4</td>
</tr>
<tr>
<td>Property Dept.</td>
<td>4</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The findings in table 4.3 above shows that majority the departments were represented in the study. The information obtained was a representative of the entire organization.

4.2.3 Respondent’s Working Experience

In this section, respondents were to indicate the number of years they had worked in the organization. The results obtained are shown in the table 4.4 below.

Table 4.4 Respondent’s working experience

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 Years</td>
<td>98</td>
<td>40.3</td>
<td>40.3</td>
<td>40.3</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>76</td>
<td>31.3</td>
<td>31.3</td>
<td>71.6</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>69</td>
<td>28.4</td>
<td>28.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 above indicates that majority of the respondents (40.3%) had worked in the organization for less than 5 years. This was followed by 5-10 years at 31.3% and lastly over 10 years’ experience at 28.4%. Based on the findings it was possible to conclude that Kengen has acquired a high number of employees in the last 5 years. There is also a good mixture of employees in terms of job experience.

4.2.4 Respondent’s Educational Level

In this section respondents were to indicate their level of education. The study findings are shown in table 4.5

Table 4.5 Respondent’s education level

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>KCPE/CPE</td>
<td>9</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>O/A Level</td>
<td>15</td>
<td>6.2</td>
<td>6.2</td>
<td>9.9</td>
</tr>
<tr>
<td>Certificate</td>
<td>27</td>
<td>11.1</td>
<td>11.1</td>
<td>21.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>75</td>
<td>30.9</td>
<td>30.9</td>
<td>51.9</td>
</tr>
<tr>
<td>Degree</td>
<td>101</td>
<td>41.6</td>
<td>41.6</td>
<td>93.4</td>
</tr>
<tr>
<td>Others</td>
<td>16</td>
<td>6.6</td>
<td>6.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The results showed in table 4.5 shows that majority of the respondents (41.6%) had attained degree level of education. This was followed by diploma at 30.9% and certificate level at 11.1%. This shows that majority of the employees are degree holders and diploma holders and therefore educated enough to understand the effect of organisational transformation on performance of Kengen Company Limited.

4.2.5 Respondent’s Staff Level

The study also sought to find out the respondent’s level in the organization.

Table 4.6 Staff level

<table>
<thead>
<tr>
<th>Staff Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Level</td>
<td>65</td>
<td>26.7</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>Middle Level</td>
<td>156</td>
<td>64.2</td>
<td>64.2</td>
<td>90.9</td>
</tr>
<tr>
<td>Senior Level</td>
<td>22</td>
<td>9.1</td>
<td>9.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the findings majority of the respondents were middle level managers at 64.2% followed by junior level at 26.7% and finally senior level at 9.1%. Since majority of the respondents are above middle level they can understand organizational transformations at Kengen.

4.3 Descriptive Statistics

This section describes the descriptive statistics for the study variables namely operational improvement, corporate self-renewal and corporate culture change and performance.

4.3.1 Operational Improvements

The first objective of the study is to establish the effect of operational improvements on the Performance of Kengen Company Limited. Various statements concerning operational improvements (systems, practices and processes) were given and the respondents were required to indicate their level of agreement with the statements on
a Likert scale of 1-5 whereby 1=Strongly Disagree, 2=Disagree, 3=Don’t Know, 4=Agree and 5=Strongly Agree. The ‘Mean’ and ‘Standard Deviation’ of each statement were established to provide the general feeling of the respondents.

From the study findings majority of the respondents (48.6+28.8=77.4%) agreed that the ICT based system introduced have helped improve performance. This statement had the highest mean of 3.95 implying that the level of agreement was high compared the other statements. Majority of the respondents (68.4%) also agreed that plant maintenance systems have been implemented and are effective. When asked whether the organization provides relevant tools, equipment and apparatus for performing tasks, majority 75.3% agreed.

Moreover, 63.7% of the respondents agreed with the statement that optimization of resources supports the company's performance. Further, 48.1% agreed that procurement process has improved and support the company's strategy. This statement recorded the lowest mean of 3.24 and the highest standard deviation of 1.164. Finally, majority of the respondents 60.5% agreed that target and results based performance has been embraced by all. The overall aggregate mean score for this section stands at 3.70 and the standard deviation of 0.970 concluding that there was general agreement with the statements measuring operational improvements. The study findings are shown in the table below.

In line with this study findings (Bartunek & Moch. 2014) noted that theories of organizational transformation, on the assumption that organizational effectiveness requires both internal and external alignment, posit that, in order to be effective, operational improvements must involve simultaneous and rapid changes in multiple attributes.
Table 4.7 Operational improvement

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>DK (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
<th>M</th>
<th>S Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ICT based system introduced have helped improve performance</td>
<td>3.3</td>
<td>4.9</td>
<td>14.4</td>
<td>48.6</td>
<td>28.8</td>
<td>3.95</td>
<td>.936</td>
</tr>
<tr>
<td>Plant Maintenance systems have been implemented and are effective</td>
<td>0</td>
<td>10.3</td>
<td>21.4</td>
<td>48.6</td>
<td>19.8</td>
<td>3.78</td>
<td>.881</td>
</tr>
<tr>
<td>The organization provides relevant tools, equipment and apparatus for performing tasks</td>
<td>1.6</td>
<td>4.9</td>
<td>18.1</td>
<td>49.4</td>
<td>25.9</td>
<td>3.93</td>
<td>.886</td>
</tr>
<tr>
<td>Optimization of resources supports the company's performance</td>
<td>1.6</td>
<td>5.8</td>
<td>28.8</td>
<td>40.7</td>
<td>23.0</td>
<td>3.78</td>
<td>.923</td>
</tr>
<tr>
<td>Procurement process have improved and support the company's strategy</td>
<td>9.5</td>
<td>17.7</td>
<td>24.7</td>
<td>35.8</td>
<td>12.3</td>
<td>3.24</td>
<td>1.164</td>
</tr>
<tr>
<td>Target and results based performance has been embraced by all</td>
<td>4.9</td>
<td>11.1</td>
<td>23.5</td>
<td>46.1</td>
<td>14.4</td>
<td>3.54</td>
<td>1.029</td>
</tr>
<tr>
<td>Aggregate score Mean score and S Dev</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.70</td>
<td>0.970</td>
</tr>
</tbody>
</table>

*(Strongly agree-SA, Agree-A, Don’t Know-DN, Disagree-D, Strongly disagree-SD, M-Mean, S Dev- Standard Deviation)

4.3.2 Corporate Self-Renewal

The second objective of the study is to establish the effect of corporate self-renewal on the Performance of Kengen Company Limited. Various statements concerning corporate self-renewal (structural changes, strategic policies and procedures and training and development) were given and the respondents were required to indicate their level of agreement with the statements on a Likert scale of 1-5 whereby 1=Strongly Disagree, 2=Disagree, 3=Don’t Know, 4=Agree and 5=Strongly Agree. The ‘Mean’ and ‘Standard Deviation’ of each statement were established to provide the general feeling of the respondents. A mean greater than 3.5 implied that the respondents agreed with the statement.

Concerning structural changes, majority (47.3+23.5=80.8%) agreed that the new organizational structures in place were clear and supported the company's vision and mission. The mean for this statement was high at 3.81. Majority (65.9%) also agreed that clear delegation of authorities and accountability frameworks exist with a mean of 3.7. When asked whether the company vision and mission exist and are understood
by all, majority (71.2%) agreed. In response to whether the company objectives and goals support its strategy majority 81.4% agreed with statement with the highest mean of 4.10. Further, majority of the respondents agreed that training programs were always based on performance gaps as traced from appraisal processes. Finally 42% of the respondents agreed that the company provides a clear career path for every position within the organization with 33.7% (11.9+21.8) disagreeing with the statement.

The study findings are shown in the table below. According to the findings by (Ståhle et al. 2003, Pöyhönen 2004). Renewal is a multifaceted concept consisting of three dimensions of renewal referring to either maintenance, adaptation or innovation type of change and the vision. The studies stated that main focus of renewal is the organization’s capability of functioning as a coherent system according to its strategy. This means, for instance, that organizations aiming at efficiency must have completely different organizational dynamics (internally organizing principles) than organizations aiming at innovations or radical change. For efficiency, organizations need to emphasize their function as mechanistic systems and for innovation or radical renewal as dynamic or self-organizing systems

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>DK (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
<th>M</th>
<th>S.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>New organizational structures in place are clear and support the company's vision and mission</td>
<td>2.9</td>
<td>7.4</td>
<td>18.9</td>
<td>47.3</td>
<td>23.5</td>
<td>3.81</td>
<td>0.913</td>
</tr>
<tr>
<td>Clear delegation of authorities and accountability frameworks exist</td>
<td>2.9</td>
<td>10.3</td>
<td>21.0</td>
<td>46.1</td>
<td>19.8</td>
<td>3.70</td>
<td>0.995</td>
</tr>
<tr>
<td>The company vision and mission exist and are understood by all</td>
<td>5.3</td>
<td>4.5</td>
<td>18.9</td>
<td>41.6</td>
<td>29.6</td>
<td>3.86</td>
<td>1.064</td>
</tr>
<tr>
<td>The company objectives and goals support its strategy</td>
<td>2.1</td>
<td>4.1</td>
<td>12.3</td>
<td>44.4</td>
<td>37.0</td>
<td>4.10</td>
<td>0.915</td>
</tr>
<tr>
<td>Training programs are always based on performance gaps as traced from appraisal processes</td>
<td>11.9</td>
<td>23.0</td>
<td>26.3</td>
<td>25.5</td>
<td>13.2</td>
<td>3.05</td>
<td>1.222</td>
</tr>
<tr>
<td>The company provides a clear career path for every position within the organization</td>
<td>11.9</td>
<td>21.8</td>
<td>24.3</td>
<td>29.2</td>
<td>12.8</td>
<td>3.09</td>
<td>1.223</td>
</tr>
<tr>
<td>Aggregate score Mean score and S Dev</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60</td>
<td>1.06</td>
</tr>
</tbody>
</table>

*(Strongly agree-SA, Agree-A, Don’t Know-DN, Disagree-D, Strongly disagree-SD, M-Mean, S Dev- Standard Deviation)
4.3.3 Corporate Culture Change

The third objective of the study was to establish the effect of corporate cultural change on the Performance of Kengen Company Limited. Various statements concerning corporate cultural change (teamwork, professionalism, safety and change preparedness) were given and the respondents were required to indicate their level of agreement with the statements on a Likert scale of 1-5 whereby 1=Strongly Disagree, 2=Disagree, 3=Don’t Know, 4=Agree and 5=Strongly Agree. The ‘Mean’ and ‘Standard Deviation’ of each statement were established to provide the general feeling of the respondents. A mean greater than 3.5 implies that the respondents agree with the statement while that below 1.5 implies that the respondents disagreed with the statement.

In response to the view that the organization has shared set of values which influence major decisions, majority of the respondents (60.1%) agreed with item mean of 3.62. Contrary to the majority of the respondents (12.3+25.1=37.4%) disagreed staff members are consulted whenever major decisions are being made. Concerning commitment to ISO certified standards the respondents agreed with a mean of 3.93 that the various changes introduced have made work easier to perform.

Moreover 81.2% agreed that occupational, health and safety standards have been embraced by all. Further majority 53.5% agreed that disaster recovery plans are clearly defined and understood by all and drills are performed periodically. Finally 59.3% of the respondents agreed that the company change initiatives are clearly defined, shared and measurable. The study findings are shown in the table below.

According to (Baca & Claudia, 2005) organizational culture has generally been interrelated to management. The two essential factors that lead to effective culture management include structural stability and integration of superior standard of organization culture.
Table 4.9 Corporate culture change

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>DK (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
<th>M</th>
<th>S.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has shared set of values which influence major decisions</td>
<td>5.3</td>
<td>6.6</td>
<td>28.0</td>
<td>41.2</td>
<td>18.9</td>
<td>3.62</td>
<td>1.035</td>
</tr>
<tr>
<td>Staff members are consulted whenever major decisions are being made</td>
<td>12.3</td>
<td>25.1</td>
<td>28.8</td>
<td>24.3</td>
<td>9.5</td>
<td>2.93</td>
<td>1.169</td>
</tr>
<tr>
<td>Important decisions are prescribed by the leaders only</td>
<td>5.8</td>
<td>14.0</td>
<td>20.6</td>
<td>31.7</td>
<td>28.0</td>
<td>3.62</td>
<td>1.194</td>
</tr>
<tr>
<td>Commitment to ISO certified standards, the various changes introduced have made work easier to perform</td>
<td>0.8</td>
<td>4.5</td>
<td>19.3</td>
<td>51.4</td>
<td>23.9</td>
<td>3.93</td>
<td>0.829</td>
</tr>
<tr>
<td>Occupational, health and safety standards have been embraced by all</td>
<td>1.2</td>
<td>9.9</td>
<td>17.7</td>
<td>44.0</td>
<td>27.2</td>
<td>3.86</td>
<td>0.969</td>
</tr>
<tr>
<td>Disaster recovery plans are clearly defined and understood by all and drills are performed periodically</td>
<td>4.9</td>
<td>15.6</td>
<td>25.5</td>
<td>35.0</td>
<td>18.9</td>
<td>3.47</td>
<td>1.114</td>
</tr>
<tr>
<td>Company change initiatives are clearly defined, shared and measurable</td>
<td>2.5</td>
<td>11.5</td>
<td>26.7</td>
<td>42.0</td>
<td>17.3</td>
<td>3.61</td>
<td>1.004</td>
</tr>
</tbody>
</table>

*(Strongly agree-SA, Agree-A, Don’t Know-DK, Disagree-D, Strongly disagree-SD, M-Mean, S Dev- Standard Deviation)*

4.3.4 Organizational Performance

In this study the dependent variable was organizational performance. Various statements concerning organizational performance (productivity, efficiency, effectiveness and employee satisfaction) were given and the respondents were required to indicate their level of agreement with the statements on a Likert scale of 1-5 whereby 1=Strongly Disagree, 2=Disagree, 3=Don’t Know, 4=Agree and 5=Strongly Agree. The ‘Mean’ and ‘Standard Deviation’ of each statement were established to provide the general feeling of the respondents. A mean greater than 3.5 implies that the respondents agree with the statement while that below 1.5 implies that the respondents disagreed with the statement.

Concerning organizational productivity 73.3% of the respondents agreed that product quality was benchmarked with international standards. The statement recorded the highest mean of 3.97. When asked whether time was well managed throughout the Organization, 56.4% agreed with item mean of 3.53. Fifty seven point percent of the respondents also agreed that staff members are paid productivity bonus when they exceed expectations with 57.6% agreeing that continuous product performance in the
organization was measured by use of a balanced scorecard with item mean of 3.60. Further respondents were asked whether the organization sets targets for each task and measures output against standard where 61.7% agreed with a high mean of 3.72.

Moreover 74.9% of the respondents were for the opinion that performance measures are aimed at improving efficiencies. The lowest mean of 3.13 was recorded when respondents were asked whether skill gaps are always addressed whenever identified during appraisal process and also whether jobs are designed to meet organizational goals. There was also a high mean of 3.96 where the respondents were on the opinion that a satisfaction level of entire internal customer chain was continuously assessed for optimal levels. When asked whether spare parts stock levels are optimized to minimize on operating expenses 44.8% agreed with item mean of 3.21. Respondents also agreed that terms and conditions of services are negotiated to their satisfaction. Finally majority of the respondent 76.6% agreed that they were satisfied with the job they were performing with a high mean of 3.96.

Table 4.10 Organizational Performance

<table>
<thead>
<tr>
<th></th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant/product quality was benchmarked with international standards.</td>
<td>2.1</td>
<td>6.2</td>
<td>18.5</td>
<td>39.1</td>
<td>34.2</td>
<td>3.97</td>
<td>0.981</td>
</tr>
<tr>
<td>Time was well managed throughout the Organization.</td>
<td>2.1</td>
<td>16.0</td>
<td>25.1</td>
<td>38.3</td>
<td>18.1</td>
<td>3.53</td>
<td>1.041</td>
</tr>
<tr>
<td>Staff members are paid productivity bonus when they exceed expectations.</td>
<td>10.7</td>
<td>16.0</td>
<td>16.0</td>
<td>30.0</td>
<td>27.2</td>
<td>3.47</td>
<td>1.328</td>
</tr>
<tr>
<td>Continuous product performance measured by use of a balanced score card</td>
<td>4.9</td>
<td>11.1</td>
<td>26.3</td>
<td>34.6</td>
<td>23.0</td>
<td>3.60</td>
<td>1.107</td>
</tr>
<tr>
<td>The organization matches jobs with employee competencies for optimal output.</td>
<td>7.4</td>
<td>11.9</td>
<td>18.9</td>
<td>38.3</td>
<td>23.5</td>
<td>3.58</td>
<td>1.184</td>
</tr>
<tr>
<td>The organization sets targets for each task and measures output against standard.</td>
<td>2.9</td>
<td>10.3</td>
<td>25.1</td>
<td>35.4</td>
<td>26.3</td>
<td>3.72</td>
<td>1.054</td>
</tr>
<tr>
<td>Performance measures are aimed at improving efficiencies.</td>
<td>4.5</td>
<td>9.1</td>
<td>11.5</td>
<td>48.6</td>
<td>26.3</td>
<td>3.83</td>
<td>1.060</td>
</tr>
<tr>
<td>Skill gaps are always addressed whenever identified during appraisal process.</td>
<td>12.8</td>
<td>18.9</td>
<td>27.2</td>
<td>25.1</td>
<td>16.0</td>
<td>3.13</td>
<td>1.258</td>
</tr>
<tr>
<td>Jobs are designed to meet</td>
<td>2.1</td>
<td>8.2</td>
<td>15.2</td>
<td>40.7</td>
<td>33.7</td>
<td>3.13</td>
<td>1.258</td>
</tr>
</tbody>
</table>
organizational goals
A satisfaction level of entire internal customer chain was continuously assessed for optimal levels.

| Employees rarely work overtime since assignments are accomplished within normal working hours. | 7.8    | 23.5   | 25.1   | 27.2   | 16.9   | 3.49   | 1.071 |
| Spare parts stock levels are optimized to minimize on operating expenses | 9.1    | 21.8   | 24.3   | 30.0   | 14.8   | 3.21   | 1.200 |
| The organization has a benefits policy which I am aware of and was well communicated.   | 4.1    | 11.5   | 16.5   | 38.7   | 29.2   | 3.20   | 1.200 |
| Terms and conditions of services are negotiated to my satisfaction.              | 6.2    | 18.9   | 19.8   | 37.4   | 17.7   | 3.42   | 1.162 |
| Benefits are tied to individual performance and this was well communicated.       | 9.9    | 18.9   | 21.8   | 37.4   | 11.9   | 3.23   | 1.179 |
| How satisfied are you with the job you are currently performing.                  | 4.7    | 6.2    | 12.8   | 42.0   | 34.6   | 3.96   | 1.063 |

4.4 Correlation Analysis

Karl Pearson Correlation Coefficient is the most widely used method of measuring the degree of relationship between two variables (Kothari, 2004). The coefficient ranges from -1 to +1 with correlation coefficient of -1 indicating a perfect negative correlation, 0 indicating no correlation while +1 indicating there was perfect positive correlation between the two variables.

The Pearson Correlation of all the independent variables versus the dependent variable was computed and the results are shown in the table below. The correlation between independent variables operational, corporate self-renewal, corporate cultural change and dependent variable performance were 0.381, 0.511 and 0.493 respectively. The highest correlation was between corporate self-renewal and performance. The correlations among the independent variables are also shown in the table below. The highest correlation was between corporate cultural change and corporate self-renewal at 0.658.
Table 4.11 Correlation results for all variables

<table>
<thead>
<tr>
<th></th>
<th>Operational Improvement</th>
<th>Corporate Self-Renewal</th>
<th>Corporate Culture Change</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Improvement</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>243</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Self-Renewal</td>
<td>Pearson Correlation</td>
<td>.533**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>243</td>
<td>243</td>
<td></td>
</tr>
<tr>
<td>Corporate Culture Change</td>
<td>Pearson Correlation</td>
<td>.515**</td>
<td>.658**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>243</td>
<td>243</td>
<td>243</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
<td>.381**</td>
<td>.511**</td>
<td>.493**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>243</td>
<td>243</td>
<td>243</td>
</tr>
</tbody>
</table>

**. Correlation was significant at the 0.01 level (2-tailed).

4.4.1 Regression Analysis

Using SPSS version 20.0 for data analysis, the researcher used multiple regression analysis to test relationship between independent variable corporate culture change, operational improvement and corporate self-renewal and dependent variable organizational performance.

4.4. 1(a) Model Summary

Table 4.12 (a) Model Summary

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.557a</td>
<td>.310</td>
<td>.302</td>
<td>.58639</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Corporate Culture Change, Operational Improvement, Corporate Self-Renewal

From table 4.12 above findings indicate the three variables corporate culture change, operational improvement and corporate self-renewal that were studied explain only 31.0% of the influence on organizational performance at Kengen company ltd as
represented by R-square. This therefore means that other factors not studied in this research contribute 69.0% of the influence on organizational performance.

4.4.1 (b) ANOVA Results
Table 4.12 below shows the summary of the ANOVA statistics obtained from the mean of variables within organizational transformation variables that influence organizational performance at Kengen company ltd.

Table 4.12 (b) ANOVA results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>36.971</td>
<td>3</td>
<td>12.324</td>
<td>35.839</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>82.181</td>
<td>239</td>
<td>.344</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>119.152</td>
<td>242</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance
b. Predictors: (Constant), Corporate Culture Change, Operational Improvement, Corporate Self-Renewal

The ANOVA test in Table 4.12(b) Shows that the significance of the F-statistic 0.000 was less than 0.05 meaning that null hypothesis was rejected and conclude that there was a relationship between all independent variables jointly and organizational performance.

4.4.1(c) Coefficients
A further test on the beta coefficients of the resulting model shows that corporate culture change, operational improvement and corporate self-renewal had a significant positive effect on organizational performance of Kengen company ltd with gradients 0.103, 0.301 and 0.281 respectively with p-values less than 0.05.
Table 4.12 (c) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.099</td>
<td>.253</td>
<td>.095</td>
<td>4.335</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.103</td>
<td>.071</td>
<td>.095</td>
<td>1.451</td>
</tr>
<tr>
<td>Operational Improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.301</td>
<td>.076</td>
<td>.297</td>
<td>3.972</td>
</tr>
<tr>
<td>Corporate Self-Renewal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.281</td>
<td>.084</td>
<td>.248</td>
<td>3.360</td>
</tr>
<tr>
<td>Corporate Culture Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Results in Table 4.12 (c) indicate the model relating to corporate culture change, operational improvement and corporate self-renewal and organizational performance. The model had an $R^2 = 0.310$, which meant the model provided a moderate fit. Following the linear regression analysis of corporate culture change, operational improvement and corporate self-renewal and organizational performance, the fitted model was determined as stated below,

This implies that the model $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$ holds

The regression model was therefore be $Y = 1.099 + 0.103X_1 + 0.301X_2 + 0.281X_3$. Where;

$Y = $ Organizational Performance
$X_1 =$ operational improvements
$X_2 =$ Corporate self-renewal
$X_3 =$ Corporate culture change

The equation shows that of corporate culture change, operational improvement and corporate self-renewal had a coefficient ($\beta_0$) of 0.103, 0.301 and 0.281 respectively. The t-statistic and corresponding p-value were (t-value, = 1.45, 3.972, 3.360 and p value= 0.001) respectively. Therefore, at 5 percent level of significance, the null
hypothesis was rejected, implying that organizational transformation had a positive significance relationship on organizational performance of manufacturing firms in Kenya.

The findings of the study were in line with the cited studies which indicated that for there to be organizational transformation play a crucial role on organizational performance. Kute and Upadhyay (2014), Bello (2012) highlighted that benchmarking against organizational transformation improves the performance of organizations, leading to competitive advantage. The finding was also supported by Mackinseys model which states that for Organisations to perform well, the seven elements have to be aligned in a way that will mutually reinforcing Leading to organizational performance (Peters and Waterman, 1982).
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This study sought to establish the effect of independent variables corporate culture change, operational improvement and corporate self-renewal on dependent variable performance.

5.2 Summary
The performance of Kengen Company Ltd has been wanting for a long period despite the organization continuously undergoing transformation. Previous studies done on performance globally and in Kenya did not focus on Kengen Company. The current study sought to establish the relationship between organizational transformation and performance of Kengen Company Ltd in Kenya.

Accordingly, a comprehensive conceptual framework was developed and tested empirically guided by the following objectives: The specific objectives sought to establish the effect of Operating Improvement on Performance. To determine the effect of corporate self-renewal on Performance. To establish the effect of Corporate Culture Change on the Performance.

The study employed descriptive and research design, which was cross sectional in nature. Primary data was collected using a structured questionnaire and validated by secondary data. The data were analysed using descriptive and inferential statistics. Descriptive statistics was used to describe and summarize data. Inferential statistics, particularly Pearson’s Product Moment Correlation, was used to quantify the strength and direction of the relationship between variables and regression analysis was used to establish the hypothesized relationship among the study variables.
The findings indicated that out of 300 respondents a total of 243 questionnaires were returned. Most of the respondents were highly skilled, degree holders and above and this is an indication that the company has human resources able to implement, organizational transformation, thus enhancing performance. The indicators of organizational transformation are, operational improvement, corporate self-renewal and corporate culture change.

The first objective of the study sought to examine the extent to which operational improvement affects performance of Kengen Company in Kenya. The null hypothesis was rejected since operational improvement had significant effect on performance of Kengen Company in Kenya. The findings imply that if the Kengen Company focused on timely handling of operational improvement, and having customer feedback systems, this would lead performance improvements. If the Kengen Company can embark on market-based research to understand the customer demand and provide timely and high quality services to their customers, then this would lead to high performance.

The second objective of the study sought to determine the extent to which corporate self-renewal affects performance of organizational transformation in Kengen Company in Kenya. The findings of the study established that the results were positive and significant and that corporate self-renewal contributed to the variation on performance. Based on these findings, the null hypothesis \((H_{02})\) was rejected.

The third objective sought to establish the extent to which corporate culture change affects performance of Kengen Company in Kenya. In order to find out the relationship between corporate culture change and performance, the researcher tested the hypothesis on the relationship between the two variables. The findings indicate
positive significant relationship between corporate culture change and performance in Kengen Company, based on the fact that the null hypothesis (H03) was rejected. This implies that corporate culture change triggers performance.

5.3 Conclusions

Performance is a key focus of the company’s management. This study investigated the relationship between organizational transformation and performance. Based on findings of this study, it was reasonable to conclude that organizational transformation contributed to performance of Kengen Company Ltd in Kenya. Based on the findings of the study, the researcher inferred some important conclusions. Corporate culture was found to be statistically significant in influencing the firm’s performance; therefore, managers should look for ways of monitoring and sustaining performance through embracing positive culture and by ensuring continuous cultural values are inculcated on the systems of Kengen Company.

Operational improvement was found to be positive and significant. It was a fundamental requirement and continuous effort for any company that wishes to succeed in today’s environment of change and challenge. The management of the Kengen Company Ltd should ensure operational efficiency, since this plays an enormous role in driving growth, profitability and performance. Today’s consumers are highly knowledgeable and demanding. The managers of Kengen Company should embrace a philosophy of the workplace where systems, technology, practices and processes, results in the ongoing improvement in an organization. This process involves focusing on the operational improvements' needs, keeping the employees positive and empowered, and continually improving the current activities in the workplace which leads to enhanced performance.
The study findings established that corporate self-renewal was statistically significant. Senior management are key in determining how the organisational structural changes, strategic policies and procedures are aligned in order to realize performance. It was the role of the top management to define the vision, mission and goals that promote quality culture and establish a set of shared values and plan for succession planning leading to improved performance.

The findings also revealed that corporate culture change (shared values, leadership style, change preparedness and staff capabilities). Had a significant and positive relationship between organizational transformation and performance. This implies that corporate culture change plays a role in influencing performance. Therefore, the study concludes that leadership style, change preparedness, shared values, and staff capabilities need to be enhanced to improve performance.

5.4 Contributions to knowledge

The study recommends that manager’s work at improving the effectiveness and efficient production of electricity so that customers can have adequate supply and this will enhance performance of Kengen company ltd. The study focused on the relationship between organizational transformation and performance of Kengen Company in Kenya. Most prior empirical studies done established that organizational transformation have significant relationship on performance. However, it was been noted that the focus of those studies were sectors and organizations in developed countries.

In addition, those studies had a couple of critical limitations relating to methodology, context, consistency of results and conceptualization of research variables and models. Nevertheless, those studies took into account other aspects of change
management, organizational transition and organizational development etc. But the current study contributes to empirical literature by establishing that organizational transformation has positive influence on performance of Kengen Company in Kenya.

Furthermore, the study adds to the existing body of empirical literature and contributes to the debates on the concern of the management and researchers on the factors that contribute to performance.

The current study was unique in contributing to the literature by conducting research analysis that statistically identifies the best predictors for the successful implementation and maintenance of organizational transformation. The results throw light on the confusion and contradictions which exist in the literature on the value of organizational transformation on performance.

Finally, the study gives a study model where operational improvements, corporate self-renewal and corporate culture change can be looked at as independent variables, and performance as the dependent variable, measured through increased productivity, efficiency, effectiveness and employee satisfaction.

5.4 Recommendations for policy implications

The findings confirmed the conceptual model and recommended a number of managerial actions. First, operational improvements as a factor of organizational transformation was found to be positive and significant in contributing towards performance. Therefore, managers of Kengen Company limited need to emphasize
and invest on systems, technology, practices and processes so as to reap the long-term benefits of having organizational transformation in place to enhance performance.

The managers through internal industry regulators are in a position to increase the quantity of power production so as to improve performance. They should be more focused on technology and system that seeks to establish the results the organization desire to achieve, determine whether these results take into account the customer needs and other interested parties and then examine the way processes are managed to achieve the results and improve on performance. The government of Kenya should design policies to ensure that the company have adopted changes and receives support during the transformation period.

5.6 Recommendations for further research

This study was a cross-sectional survey. It was hoped that a longitudinal survey will validate informed interpretations in future studies. Future research should further investigate the impacts of organizational transformational, leadership style and firms’ performance. Further research should also validate the findings and conclusions of the study by undertaking replicative researches in other sectors in Kenya.

Moreover, further research should be carried out to investigate the moderating role of other variables on the relationship between organizational transformation and performance.
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Stella A.O. (Nov. 2013); Job satisfaction and Employee Performance within the Telecommunication Industry in Kenya.


APPENDICES 1

Appendix 1: Research permit
Appendix II: Research authorization letter

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

Our Ref: DS3/OL/5425/2063

DATE: 11th October, 2018

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57539

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR ABEL KIPKOECH ROTICH – REG. NO.
DS3/OL/5425/2063.

I write to introduce Abel Kipkoech Rotich who is a Postgraduate Student of this University. The
student is registered for M.B.A degree programme in the Department of Human Resource
Management.

Abel intends to conduct research for a M.B.A Project Proposal entitled, “Organizational
Transformation and Performance of Kengen Company Limited, Kenya”.

Any assistance given will be highly appreciated.

Yours faithfully,

[Signature]

PROF. PAUL OKTMO
DEAN, GRADUATE SCHOOL
Appendix III: Research approval

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@kun.ac.ke
Website: www.knau.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel: 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School
TO: Abel Kiplouche Rotich
C/o Human Resource Management Dept.

DATE: 11th October, 2018

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board 19th September, 2018 entitled “Organizational Transformation and Performance of Kejen Company Limited, Kenya”.

You may now proceed with your Data Collection. Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you,

ANNBEL NIVANIKI
FOR: DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Human Resource Management.
Supervisors:

1. Dr. Rosemarie Wanyoike
C/o Department of Human Resource Management
Kenyatta University,

63
Appendix IV: Introductory letter

COVER LETTER
Abel Kipkoech Rotich
P.O Box 785
Naivasha. Phone no. 0722350915.
Email: arotich64@gmail.com

Dear Respondent,

REF: RESEARCH PROJECT

I am a postgraduate student at Kenyatta University pursuing a Master of Business Administration degree. I am currently carrying out a research on Organisational Transformation and Performance, A case study of Kengen Company Ltd, and request to get your feedback on the same. The success of this research will highly depend on your cooperation.

Kindly find time and give your honest response to the appended questionnaire. Your feedback shall be expected back in a week’s time.

I hereby give assurance that your responses will be treated with utmost confidentiality, and for academic purposes only.

Thank you in advance!

Faithfully,

Abel Rotich
APPENDIX V: Questionnaire

Dear Respondent,

This questionnaire seeks to investigate Organisational Transformation and Performance of a Kenya Power Generating Company in Kenya. Kindly answer the following questions as accurately as possible. Your individual response was STRICTLY CONFIDENTIAL and anonymous. Your answer shall be used for academic purposes only. Please mark in the box (x) corresponding to your appropriate choice.

PART A: GENERAL INFORMATION (Tick [✓] where appropriate)

1. State your current departmental level in the company
2. Gender
   o Male
   o Female
3. Department
   o Operations
   o Infrastructure and Resource Development.
   o Drilling and Logistics.
   o HR & Admin
   o Steam field and Reservoir Management.
   o Finance
   o Supply Chain
   o Information Communication Technology.
4. How long have you been an employee of this company?
   (Tick [✓] where appropriate)
   o Under five years
   o 5-10 years
   o Over 10 years
5. Level of Education
   o KCPE/CPE
   o O/A’ level
   o Certificate
   o Diploma
   o Degree
   o Other specify ………………………………………………………………..
6. Staff level
   o Junior (Union) level
   o Middle Management
PART B: INTRODUCTION

The following statements concern the various organisational transformation initiatives in the Organisation. Use Likert scale given to rank your response 5=to a very great extent, 4=to a great extent, 3=to a moderate extent, 2=to a small extent, 1=does not affect at all. Also in the “mix column” provide an overall rank of these performance indicators from the most realized to the least by use of normal numeric ranking of 1, 2, 3...

Key. 5= Strongly Agree 4= Agree 3= Don’t Know 2 = Disagree 1 Strongly Disagree.

ORGANISATION IMPROVEMENTS.

SECTION A: OPERATIONAL IMPROVEMENTS

<table>
<thead>
<tr>
<th>No</th>
<th>Statements for operational improvement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Systems:</td>
<td></td>
<td></td>
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<td>1</td>
<td>The ICT based systems introduced have helped improve performance.</td>
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<td>2</td>
<td>Plant maintenance systems have been implemented and effective.</td>
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<td></td>
<td>Practices;</td>
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<td>3</td>
<td>The Organization provides relevant tools, equipment and apparatus for performing tasks.</td>
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<td>4</td>
<td>Optimization of resources supports the Company’s performance.</td>
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<td></td>
<td>Process;</td>
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<tr>
<td>6</td>
<td>Procurement processes have improved and support the Company’s strategy.</td>
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<tr>
<td>7</td>
<td>Target and results based performance has been embraced by all.</td>
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</tbody>
</table>
### SECTION B: CORPORATE SELF – RENEWAL

<table>
<thead>
<tr>
<th>No</th>
<th>Statements for corporate self – renewal</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Structural changes:</strong></td>
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<tr>
<td>1</td>
<td>New Organizational structures in place are clear and support the Company’s Vision and Mission.</td>
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<td>2</td>
<td>The Company Vision and Mission exist and are understood by all.</td>
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<td></td>
<td><strong>Strategic policies and procedures</strong></td>
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<tr>
<td>4</td>
<td>Vision, mission and objectives are understood by all staff</td>
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<td>5</td>
<td>The company objectives and goals support its strategy.</td>
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<td></td>
<td><strong>Training and development</strong></td>
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<tr>
<td>6</td>
<td>Training programs are always based on Performance gaps as traced from appraisal processes.</td>
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<tr>
<td>7</td>
<td>The Company provides a clear career path for every position within the organization.</td>
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</tbody>
</table>

### SECTION C: CORPORATE CULTURE CHANGE

<table>
<thead>
<tr>
<th>No</th>
<th>Statements for corporate culture change</th>
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<th>2</th>
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<tbody>
<tr>
<td></td>
<td><strong>Shared values/teamwork, professionalism, safety</strong></td>
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<tr>
<td></td>
<td><strong>Teamwork</strong></td>
<td></td>
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<td>1</td>
<td>The Organization has shared set of values which influence major decisions.</td>
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<td>2</td>
<td>Staff members are consulted whenever major decisions are being made.</td>
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<td></td>
<td><strong>Professionalism</strong></td>
<td></td>
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<td>3</td>
<td>Important decisions are prescribed by the Leaders only.</td>
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<td>4</td>
<td>Commitment to ISO certified standards. The various changes introduced have made work easier to perform.</td>
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<td></td>
<td><strong>Safety</strong></td>
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<td>5</td>
<td>Occupational, Health and Safety standards have been embraced by all</td>
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<td>6</td>
<td>Disaster recovery plans are clearly defined and understood by all and drills are performed periodically.</td>
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<td><strong>Change preparedness</strong></td>
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<td>7</td>
<td>Company change initiatives are clearly defined, shared and measurable.</td>
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</tbody>
</table>
# SECTION D: PERFORMANCE

## I  Productivity

| (1) | Plant/product quality are benchmarked with international standards. |
| (2) | Time well managed throughout the Organization. |
| (3) | Staff members are paid productivity bonus when they exceed expectations. |
| (4) | Continuous product performance measured by use of a balanced score card |

## II  Efficiency

| (1) | The organization matches jobs with employee competencies for optimal output. |
| (2) | The organization sets targets for each task and measures output against standard. |
| (3) | Performance measures are aimed at improving efficiencies. |
| (4) | Skill gaps are always addressed whenever identified during appraisal process. |

## III  Effectiveness

| (1) | Jobs are designed to meet organizational goals |
| (2) | A satisfaction level of entire internal customer chain was continuously assessed for optimal levels. |
| (3) | Employees rarely work overtime since assignments are accomplished within normal working hours. |
| (4) | Spare parts stock levels are optimized to minimize operating expenses. |

## IV  Employee satisfaction.

| (1) | The organization has a benefits policy which I am aware of and was well communicated. |
| (2) | Terms and conditions of services are negotiated to my satisfaction. |
| (3) | Benefits are tied to individual performance and this was well communicated. |
| (4) | How satisfied are you with the job you are currently performing. |