

**CHANGE MANAGEMENT AT LAKE BASIN DEVELOPMENT
AUTHORITY, KENYA**

OTIENO AWUOR CHRISTINE

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DECLARATION

This research project is my original work and has not been presented in any University/College for the award of a degree/diploma/certificate.

Signature _____ Date _____

Otieno Awuor Christine

Registration No. D61/61868/2013

This research project has been submitted for examination with my approval as the University Supervisor.

Signature _____ Date _____

Dr. Vincent N. Machuki

Lecturer

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

To my husband, best friend and companion David, your love, support, understanding and prayers has made my desire come through. Thank you and may the Lord raise you higher.

To my lovely and wonderful children, Daniel, Joseph, Isaac and Hadassah for your overwhelming and genuine enthusiasm, love and joy you bring into my life, may your dreams be fulfilled. You have made me a proud mother.

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To God the Father, the Son and the Holy Spirit, all glory and honour I return to You for making this study possible.

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ABBREVIATIONS AND ACRONYMS

IFRS-	International Financial Reporting Standards
IPSAS-	International Public Sector Accounting Standards
LBDA-	Lake Basin Development Authority
LBDC-	Lake Basin Development Company
MEW&NR-	Ministry of Environment, Water and Natural Resources
MORDA-	Ministry of Regional Development Authority
PPPs-	Public Private Partnerships
PPB-	Programme Based Budgeting
RDA-	Regional Development Authority

ABSTRACT

The complex dynamic and competitive nature of business requires that organizations cannot remain stable so long as constant change external to organizations requires constant change within. Change management assists an organization align with the changes in a more effective manner. The theories that are anchored in this study are organization development theory, open systems theory and complexity theory which bring out the relationship between an organization and its environment. LBDA has undertaken various changes to its strategic direction, internal processes, leadership, outsourcing of services, innovation, organizational structures, and performance management. It is against this background that the study sought to inquire the change management practices adopted by the organization in the implementation of its change initiatives and to determine the challenges faced by the organization in managing change. The study was conducted through a case study and data was collected using interview schedules while secondary data was derived from strategic plans, internal newsletters and performance contracts. The major findings of the study were that LBDA had adopted various practices in its management of change such as, instilling in the organization and individual a commitment to change by constructing a new vision, mission and core values, enhanced customer and service delivery, aligning the infrastructure and goals with organizational strategy, planning for continuous improvement, people development and succession planning. However, the obstacles faced were, resistance to change, inadequate funding, communication, political interferences, culture, rapidly changing environment, government and legal challenges. For this purpose, the study recommended that LBDA should undertake an organizational diagnosis on the culture, organizational and individual readiness for change, involve all stakeholders in all phases of the change process, select a guiding team to spearhead all change projects and documentation of the change process to assist the organization use the information to improve future change processes. A similar study can be carried out in the same organization to investigate the effect of change management on performance or to establish the involvement of employees and other stakeholders in the change process.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Change management in any organization has currently emerged as the key focus towards achieving effective transition from one state to another with emphasis on being different. Pervasive demographic changes, technological advances, geopolitical shifts, and pressures to be sensitive to our physical environment are combining with concerns for security and organizational governance to generate significant pressures for organizational change (Mills, 2012). Burnes (2009) notes that awareness of the political, economic, sociological and technological aspects of any organization's external environment forewarns the need to pay attention to such factors. Furthermore, it alerts managers to attend to their organizations' relevant environmental contexts and to decide whether they need to take some action as a result. Paton and McCalman (2009) state that the implementation of successful change strategies largely depends on the quality of the management team and in their ability to design evaluate and implement the strategies so as to facilitate the change process in a responsive and progressive manner. The sad fact is that the success rate for most of the change programmes launched in organizations is poor with the failure rate at around 70% (Balogun and Hope Hailey, 2008). In fact, it is argued that organizations are only as successful as their efforts to respond to changes in the environment and adapt accordingly (Lombard and Crafford, 2003).

Organizational development theory in contemporary sense has a more useful and practical place in today's effort to manage organizational change (Appelbaum, St-Pierre and Glavas, 1998). It focuses on the planned and controlled change of

organizations in desired directions. Appelbaum, *et al.* (1998) state that organizational development attempts to change an organization in totality by changing the organization's structure, technology, people, and tasks. Any facet of an organization is a legitimate target of organizational development. The open systems theory views organizations as open systems which are strongly influenced by their environment (Bastedo, 2004). In the process of conducting their business, they influence and change with their external surroundings while at the same time being influenced by external changes in local and global environments (Bastedo, 2004). The challenge for managers and leaders first, is to identify the system itself, its intrinsic elements and to realign their subsystems to conform to the changes occurring within the environs (Murphy, 2003). Complexity theory increasingly considers organizations as systems of linked components or aggregate complexity. It defines the relationships between entities, internal structures and surrounding environment; learning and emergent behavior; and the different means by which complex systems change and grow (Schieve and Allen, 1982).

Lake Basin Development Authority (LBDA) as an organization has been forced to adopt change because of pressure from both internal and external environment. The environment is expected to be more competitive due to the current changing government dispensation and the opening of the region towards social-economic and political cooperation. This compels the Authority to strategize to remain competitive and relevant to the needs of the customers, employees and its stakeholders. Moreover, as a regional body, it is regarded as a very useful engine towards leveraging on regional development in tandem with the newly devolved government structure as they already possess valuable infrastructural assets. It is in light of this background

that this research seeks to find out the extent of change management practices at Lake Basin Development Authority and the challenges posed by such changes to the management.

1.1.1 Concept of Change Management

Change is any planned or unplanned transition from one scenario to another and is regarded as a continuous and evolving process. Strategic organizational change could be undertaken in either a reactive or proactive manner. It is long term in nature, and affects an entire organization. According to Appelbaum *et al.* (2008) management could both foresee the necessity for change and undertake the necessary steps to adjust their organization to meet the impending pressures of the environment or; management could resist change and be forced into an organizational transformation in order to survive. Balogun (2001) argues that strategic change often involves radical transitions within an organization that encompass strategy, structure, systems, processes and culture and that the success of strategic change depends not only on an organization's ability to implement new structures and processes, but also on the organization's ability to convey the new mission and priorities to many stakeholders.

Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. It is the process of taking a planned and structured approach to help align an organization with the change (Wilson, 1992). Organizational change is often required whenever there are changes within the environment in which an organization operates both internally and externally; derived from the political, economic, social, technological and legal forces (Johnson *et al.*, 2008). Change management involves working with an organization's

stakeholder groups to help them understand what the change means for them and in assisting them make and sustain the transition and working to overcome any challenges involved. From the management perspective, it involves the organizational and behavioral adjustments that need to accommodate and sustain change (Queensland, 2009).

Many of us are comfortable within our own reference points and personal beliefs. Thus, when our view of the world is challenged, a natural resistance occurs. The introduction of change can bring a lot of resistance and conflict with the employees. According to Burnes (2009), most organizations want change implemented with the least resistance and with the most buy-ins as possible. When the change is applied in a structured and open approach, it ensures the smooth transition from one behavior type to another. Change management helps ensure that predetermined objectives of introducing the process change are achieved as this assists in resolving unwarranted conflicts, lack of trust and misunderstanding.

Balogun and Hope Hailey (2008) stressed that the success rate for most change programmes launched within organizations is poor and failure rate is estimated to be at 70%. Organizations therefore in seeking to create a willingness and readiness for change need to destabilize the 'status quo' by establishing a sense of urgency; give regular feedback on the performance of individual processes and areas of activities, recognize and deal with the employees' fears and make known successful change. This will entail participative involvement of the employees and other relevant stakeholders (Burnes, 2009). Greenfield (2012) argues that the ability to bring about successful change is perhaps the most important skill required by a leader in a modern

organization. In his findings, it is the leaders at all levels of an organization that must create the conditions for change to take root and ultimately bear fruit. Nevertheless, all change whether from internal or external sources, large or small, involves adopting new mindsets, processes, policies, practices and behavior (Queensland, 2009).

1.1.2 Change Management Practices

In many organizations there is a general ethos underpinning transformation. This can be seen as the bottom line or set of often unstated rules by which the transformation game must be played (Whittal and Barry, 2005). These principles are more often explicitly stated in public organizations than in private organizations. In the former, the communication of the rules of the game with the electorate base is critical, and must be considered in all decision making processes. Sometimes these principles are legislated (Whittal and Barry, 2005). Change begins with organizational leaders developing an organizational strategy, then with the creation of an initiative that is aligned with that strategy. These strategic initiatives are formulated as direct response to a change in the business environment (Cabrey and Haughey, 2013). The underlying change will normally consist of certain moral codes, mission statement of the organization, in the goals of the transition, and may even find expression in the vision statement (Johnson, Scholes and Whittington, 2008).

Organizations that are highly effective at change management, have well defined milestones and metrics (Cabrey and Haughey, 2013). Having a robust plan assists in setting a clear vision for the change which is aligned with the organization's vision and mission; identifying and documenting the case for change; and developing the change plan and measures which includes the new direction, core business, structure,

staffing requirements, resources to be used, timelines and impact of the change on the organization and the people within it as well as the other stakeholders (Queensland, 2009). Change Enablers have senior management committed to change to guide organizational behavior, and lead by example. This enables achieve a positive role in the development, planning and feedback of strategic change (Johnson et al, 2008). Lack of commitment can result in serious blockages and resistance.

Establishing and communicating concrete ownership and accountability is a crucial practice in gaining support of all stakeholders (Cabrey and Haughey, 2013; Queensland, 2009). By encouraging stakeholder participation and commitment through open and consultative communication approaches to create awareness and understanding of the change throughout the organization (Queensland, 2009). Change Enablers instill a standardized project and programme culture and mindset that enable the success of strategic initiatives. They meet original goals, are on time and are on budget (Cabrey and Haughey, 2013). Finally, to implement successful change, it is important to manage people by initiating individual and team development (Lombard and Crafford, 2005; Queensland, 2009; Cabrey and Haughey, 2013). An organizational needs assessment is conducted and a workforce development is initiated to mitigate the gaps between organizational needs and current workforce competencies (Queensland, 2009). Change management therefore poses a daunting task for managers at different levels (Johnson *et al*, 2008; Greenfield, 2012).

1.1.3 Regional Development Authorities in Kenya

The Regional Development Authorities (RDAs) were established under various Acts of Parliament between the years 1974 and 1990 with the objectives of creating desired

balanced regional development within the country. Their mandate is to spur regional socio-economic development through sustainable utilization and conservation of natural resources by planning, coordinating, mobilization, implementing and monitoring integrated basin based programmes and projects. All the RDAs are currently under the Ministry of Environment, Water and Natural Resources. Their establishment was based on river and large water basins in various regions and their operations cover all the 47 counties. Kenya has six river and large water body basin based agencies (RWABs), better known as RDAs. These are; Tana and Athi Rivers Development Authority (TARDA), Lake Basin Development Authority (LBDA) , Kerio Valley Development Authority (KVDA), Ewaso Ng'iro North River Basin Development Authority (ENNDA), Ewaso Ng'iro South Development Authority (ENSDA) and Coast Development Authority (CDA) (Arumonyang, 2009; MORDA, 2008).

There have been several changes in the government sector in an effort to ensure implementation of national agenda, policies and service delivery. The Regional Development Policy of 2007 was developed to assist RDAs deliver their mandate and achieve their goals and objectives. The policy required all RDAs to realign their strategic focus and operations by revising their functions and goals towards achieving Vision 2030 three pillars; political, social and economic (MORDA, 2008). The Public Finance Management Act was passed in 2012 as a vehicle for establishing effective service delivery and assist the government bodies understand the essentials of public financial management in all State Corporations. This includes budget preparation, budget execution, and cash planning and management (Okundi, 2014). This had an effect of ensuring appropriate and competitive staff recruitment and organizational

structures to be in place. It also meant accountability and responsibility is owned by all civil servants hence, enhancing governance and ethical responsibility.

With the advent of Public Sector Reforms in Kenya, the reform agenda focused at enhancing service delivery and promotion of innovativeness in the different sectors. Several approaches were introduced and implemented, such as the Results Based Management (RBM), a tool to ensure efficient management of the public service. Other reform strategies that the RDAs adapted since 2003 include Rapid Results Initiatives, Performance Contracting, Citizen Service Delivery Charters, Transformational Leadership, Values and Ethics and Institutional Capacity Building (Gitau, 2011). The Presidential Taskforce on Parastatals Reforms (2013) tasked with the responsibility of interrogating the policies on the management and governance of Kenya's parastatals, identified 42 parastatals to be dissolved, 28 others to be merged, 22 to have their roles transferred to other institutions and 21 others to be dropped from the list state corporations and to be reclassified as professional bodies. With such a worrying report it was no longer business 'as usual' for the RDAs and they had to effect change to remain relevant to the current government with the aim of determining how best they would contribute to the pursuit of national development aspirations.

Technological aspects drove the RDAs to change to the requirements of end-users and clients of their products. The global internet revolution meant developing organizational websites for faster digital access to data, integration and interaction with the suppliers and customers as well as enhancing their market niche. The government went digital through e-government, by enabling a seamless platform for

budgeting, planning and financial reporting using Integrated Financial Management Information Systems (IFMIS) and has currently developed e-procurement In 2007 all the RDAs were expected to fast track automation for an efficient and transparent reporting system. With the advent of a devolved government and the counties and their governments, the question was inevitably going to arise as to the mandate and role of the RDAs as well as whether they should continue to exist as agencies of the national government or whether their mandates and functions should be implemented by or transferred to the county governments. Hence there emerged the need for institutional restructuring of RDAs to turn them into sustainable and more effective vehicles of development than they are presently (MORDA, 2008; LBDA, 2012).

1.1.4 Lake Basin Development Authority

Lake Basin Development Authority is a regional development agency. It was established by an Act of Parliament Cap 442 on the 31st of August 1979 as the coordinating agency charged with leading economic development at the local level in the Kenyan portion of the Lake Victoria basin. This was partly in an effort to improve the regional balance in the country. Its' mandate as enshrined in the Constitution, empowered the Authority to: carry out integrated sustainable development planning; implement development programmes and projects; coordinate development programmes and activities and promote management and conservation of natural resources (LBDA, 2012). The Authority's area of jurisdiction covers the entire catchment's areas of the major rivers, which drain into Lake Victoria. This area measures 39,000 km² and covers the whole of Nyanza, Western Provinces as well as parts of Rift Valley Province (Strategic Plan, 2008).

Various legislative changes were effected from 2007. The implementation of Economic Recovery Strategy (ERS) came to an end in December 2007 ushering in an era of the Vision 2030 which specifically aims at making Kenya a middle- income country with good quality of life by 2030(Kenya Vision 2030). In line with the Vision 2030, LBDA realigned their strategic plans, goals and objectives, based on the three pillars; namely economic, social and political. Under the Regional Development Policy of 2007, the functions of the LBDA had to be revised in order to make it a more effective vehicle for development. The organization's budgeting cycle was changed to be consistent with the Government's budgeting cycle and the adoption of Performance contracting system for all Government agencies required all operations to have measurable indicators against which the performance of the Authority was to be evaluated on an annual basis (LBDA, 2007).

In March 2013 a change in political leadership and climate of the country under a new devolved constitution initialized change in LBDA in order to retain their mandate to ensure that their functions are not usurped by the county governments (LBDA, 2012). Funding from the Exchequer to all government entities reduced drastically due to a reduction in the country's economic growth (LBDA, 2012). This meant that LBDA needed to go back to the drawing board and change their strategies so as to break even and implement sustainable activities. The Authority planned on transforming its internal control systems and restructuring some of its strategic business units both in the headquarters and regionally, such as Lake Basin Development Company (LBDC) into commercial enterprise to enable it process and sell rice locally and regionally.(LBDA, 2012).

The endogenous forces that initiated change within the organization were the need to improve its weak internal and monitoring systems. LBDA had over the years been plagued by ineffectiveness in the proper use of available resources; this being a general trend in the public sector. Issues of accountability, governance and ethics had become the norm in the organization. Poor performance, low staff moral: due to low compensation levels, inadequate skills and bottom heavy structure envisioned the need for the organization to transform its internal structures and prepare for expansion of revenue streams (LBDA, 2012). The low level of automation would not suffice their organizational needs in a dynamic and competitive environment. The society had gone savvy and needed services and information delivered on line. This offered an opportunity for LBDA to embrace technology and whilst providing accessibility of internet in all departments. It was imperative to manage the changes in the organization, while remaining relevant to the various stakeholders whose main concern is improved service delivery without compromising on the quality of their services as well as focusing on customer satisfaction.

1.2 The Research Problem

The global pace of change has increased at an accelerated rate which has impacted organizations differently depending on their capability and flexibility of adapting to the environmental changes (Mills, 2003). Change management is the process of taking a planned and structured approach to help align an organization with the change. From a managerial aspect, it involves the organizational and behavioral adjustments that need to be made to accommodate and sustain change (Queensland, 2009). The need to constantly manage transition is not just a matter for specialists like project managers or consultants but is now recognized as a core management skill.

Leaders ought to know that along with embracing change, creating sustainable change is critical and organizations that cannot adapt to change efficiently will wither and die (Greenfield 2012).

Lake Basin Development Authority has over the last decade undergone various strategic changes, some of which have been fully implemented while others are still in their infancy stage of change process. The organization has undertaken various changes as outlined in its five year strategic plan and anchored on Vision 2030 in its strategies, internal processes, leadership, technological innovation, organizational structures, culture and performance management (LBDA, 2012). This encompassed all its departments and necessitated the adoption of the most appropriate strategic fit for the organization. This was towards the achievement of enhanced performance, innovation, efficiency, effectiveness, economical and ethical responsibilities for continued sustainability and relevance in the current government restructuring of parastatals (LBDA, 2012).

A number of studies have been carried out in relation to change management practices. These have been carried out in various sectors such as profit and non-profit making organizations, state corporations, financial institutions and inter-governmental organizations however, none of the studies has been done in relation to change management practices at Lake Basin Development Authority. Kiange (2010) researched on change management practices at Kenya Ports Authority, the study was based on the various strategies and change management practices adopted by the management, however, this is a different parastatal. Whereas Gitau (2011) did a study on strategic change management practices within state corporations, he did not focus

on any regional development authority. Kisaka (2011) researched on strategy implementation at LBDA and failed to take into account the challenges faced in implementing change management practices in the organization. Ng'on'ga (2013) focused on stakeholders involvement in change management at KPLC where planned approach was used incorporating various stakeholders' views in the change process, however, it is a different context as compared to LBDA.

From the above studies, there is a gap as none of them sought to know the change management practices at LBDA and the challenges faced in the implementation of the change programmes. This study therefore seeks to fill the gap by investigating the change management practices adapted by LBDA and the effect of such changes to the organization. The research question that the study seeks to answer is what are the practices adopted in the management of strategic change and what are the challenges faced in the implementation of the changes.

1.3 Research Objective

The objectives of the study will be:

- i) To establish the change management practices at Lake Basin Development Authority.
- ii) To determine the challenges of managing change at Lake Basin Development Authority.

1.4 Value of the Study

The results of this study can be used by academicians and future upcoming researchers as a reference point for further research on change management practices in Lake Basin Development Authority. This is important as it is a subject that has not

been widely explored within the same context and for this reason the findings of this study is paramount in contributing to the body of knowledge in strategic management.

This study contributes to policy development by providing findings that may assist policy makers in LBDA adopt and formulate the relevant practices that would be important in ensuring all stakeholders embrace the change process with little resistance. The government and other development partners to LBDA can also use the information documented to know the challenges that the Authority undergoes while implementing change projects and programmes and therefore incorporate the recommendations to deal with the challenges in policy making. The results of this study is important to the general public as it will assist them to understand the challenges that the organization goes through and how it has been able to handle them as well as provide an interface between sector and national level policies within national and county governments' interventions and jurisdiction.

The results of the study contributes to managerial practice by adding value to the management process as it points out the change management process and practices that were not well embraced, the challenges encountered, recommendations for improvement and its importance to Lake Basin Development Authority. It assists to bridge the gap on change management practices which were not well identified in Lake Basin Development Authority and provides relevant information to the management on how to successfully implement their change programmes and projects. The study is expected to benefit the management of other RDAs and State Corporations in examining the perceived impact of their change programmes and mitigate against the challenges and complexities arising out of their future change initiatives.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section reviews the different related literature in similar areas of this study. Theoretical and empirical findings presented are: strategic change approaches to change management, organizational change management practices, challenges of organizational change management programmes and measures to deal with challenges.

2.2 Theoretical Foundation

The theories that are anchored on this study are organization development theory (OD), open systems theory and complexity theory. Bennis (1969) defines organization development as a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organizations so that they can better adapt to new technologies, markets and challenges, and the dizzying rate of change itself. Argyis (1970) emphasizes that OD is a means of increasing valued characteristics by growing the capacity of the organization to generate and utilize valid information about itself. It involves interventions in the organization's processes using behavioral science knowledge or other organizational change perspectives, systems improvement, planning and self-analysis. It does this by helping managers and leaders induce change in attitudes, values, modifying behavior, and by inducing change in structure and policy that directly and indirectly influence behavior patterns in organizations (Argyis, 1970).

The open systems theory assumes that similarly to biological organisms, it is possible to analyze any organization in terms of an open system; a system that can survive

only by exchanging materials or information with an outside environment (Langlois, 1981). Open systems theory is used to bring out the relationship between organizations and their environments. It illuminates the energizing processes in which organizations affects and is affected by its environment in two dimensions; the organizations boundary which are the physical, social, psychological and work or task dimensions that set it apart from its environment, must be semi-permeable and the boundary's quality of permeability that makes it possible for the organizational system to get feedback from its environment and use it for the purposes of developing greater adaptiveness (Corlett, 2005). Bastedo (2004) refers to open systems theory as a concept whereby organizations that are strongly influenced by their environment, politically, socially or economically are forced to realign their subsystems to conform to those changes for their survival and success.

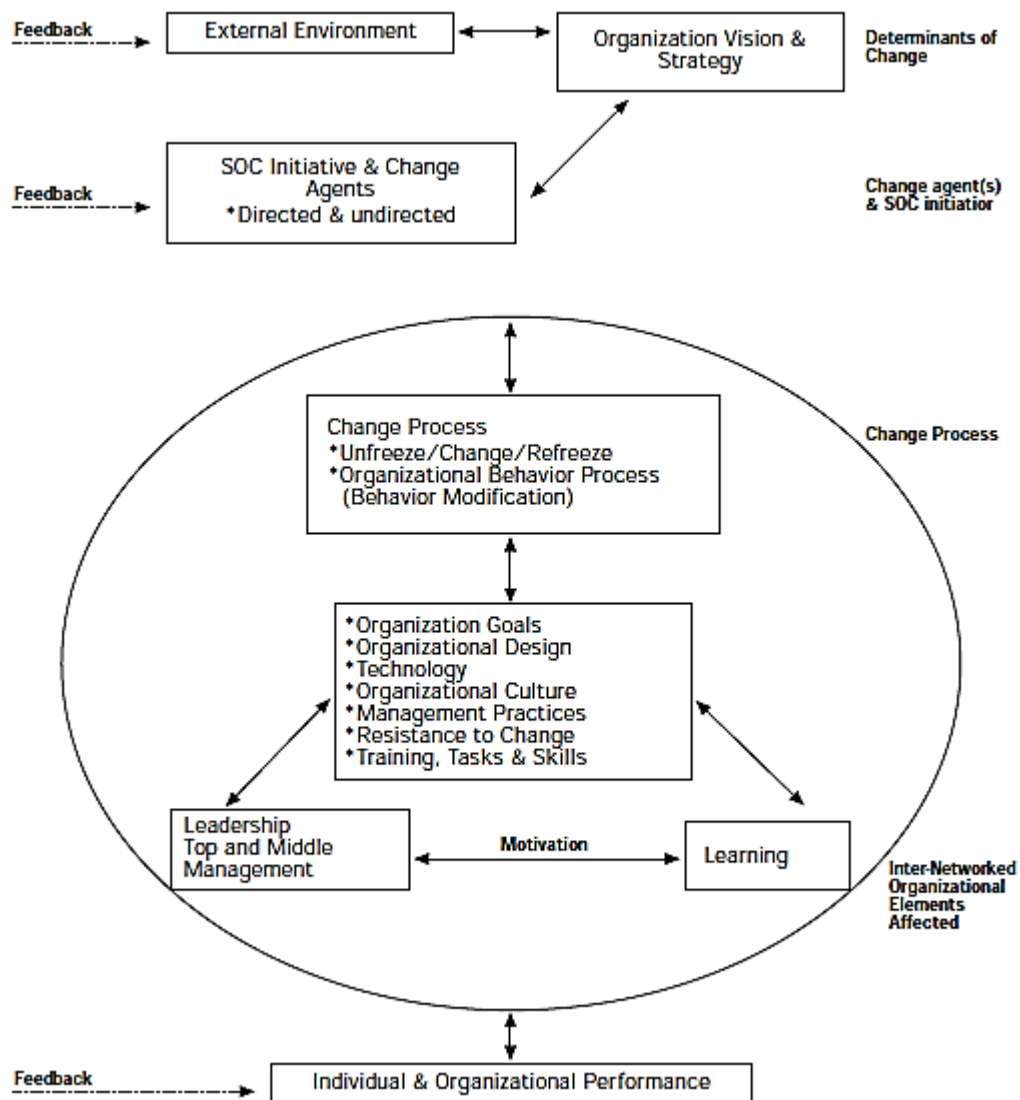
Complexity theory refers to an organization as a complex system (Schieve and Allen, 1982). It is one in which numerous independent elements continuously interact and spontaneously reorganize themselves into more and more elaborate structures over time depending on the environment. Brown and Eisenhardt (1997) imply that long term planning is impossible as such systems are extremely sensitive to initial conditions and dramatic change can occur unexpectedly; they are able to balance between randomness and stasis, instead of weathering a crisis, a system can reach a critical point where its internal structure lies on the brink of collapsing without actually doing so. Such organizations can be turned to be more innovative and adaptive that enables firms to prosper in an era of rapid change.

2.3 Strategic Change

Change is often said to be the only thing that remains constant in life. Change is regarded as a departure from an existing process or way of doing something, to a new process or a different way of doing the same thing (Oseni, 2007). Changes are meant for the good of an organization over the short or long term of its implementation. Change can be strategic, operational and transformational. The process of change begins with organizational leaders developing an organizational strategy, then with the creation of an initiative that is aligned with that strategy. These strategic initiatives are formulated as direct response to a change in the business environment. Strategic initiatives; projects and programmes by their nature drive change in an organization (Cabrey and Haughey, 2014).

Change often involves radical changes within an organization that encompass strategy, structure, systems, processes and culture. Balogun (2001) argues that many organizations failed in bringing about successful strategic change by failing to realize that it is implementation rather than formulation that is the hardest part. For strategic intent to become a reality, it is necessary to change the way in which individuals within an organization behave. This requires more than restructuring and putting new systems in place. It requires a shift in the underlying culture, attitude and behavior of the employees; when the managers and employees change their way of doing business and the change efforts need to be designed to fit the organizational context. Figure 1 shows the elements involved in strategic organizational change.

Figure 1: Strategic Organizational Change Model



Source: Appelbaum, St-Pierre and Glavas (1998) p.299: Adapted from Burke & Litwin (1992), Robbins (1993).

2.4 Approaches to Change Management

According to Balogun and Hope Hailey (2008) the speed of change is about how the change is implemented. It ranges across a continuum from an all-at-once, big bang, step by step or stage by stage incremental. The extent of change required ranges from transformational to realignment. However, Kotter (1996) ignores the notion of

continuum of change as such and, instead argues that organizations need to be transforming themselves through a series of large and small interlinked change projects spanning different levels and functions and having different timescales.

Burnes (2009) acknowledges that there are two types of changes, using different models; planned and emergent approach to change. Planned approach is seen as a sequential process that is appropriate for changing the environment of an organization or behavior of a group which tends to be relatively stable over time. Using Kurt Lewin's three-stage model of change; the unfreeze, change and refreeze assists an organization to focus on the need to dislodge the beliefs and assumptions of those who need to participate in the change and engage in systematic alterations to the status quo. When the unfreezing occurs, the systems and the people embedded in it become susceptible to change. This will need reinforcement to enable groups and individuals move to a more acceptable behavior. In organizational terms, refreezing often requires changes to organizational cultures, norms, policies and practices.

Kotter (1996) identifies eight stages in the process of creating a major change. The first four involve creating the climate for change in which change can take place. In the initial stages of the process, a sense of urgency is crucial to overcome any complacency within the organization, even if it entails creating a crisis; creating the guiding coalition encompasses assembling a team or core group with enough power block, responsibility and authority, possessing leadership and management attributes and experts in their various disciplines, are required to be credible, have a common objective, and an overall team mentality; developing a vision and a strategy is done to set the direction of the change and the strategy is designed to achieve the vision ,an effective vision should be imaginable, desirable, feasible, focused, flexible and communicable; communicating the vision is done using all channels possible, it is of

necessity that the guiding coalition leads by example as they become the role model for the employees. Stages five to seven involve the introduction of new practices into the organization. This entails empowering employees through training to change behavior, social skills and attitudes, obstacles are removed by communicating the vision, systems and structures are realigned, troublesome supervisors are removed to prevent the change from being blocked and action is taken to hasten speedy inception of the legislation required to take effect change, risk taking and non-traditional ideas, activities and actions are encouraged; generating short-term wins entails rewarding and recognizing the achievement of interim targets as this helps in evaluating the visions and strategies and may also bring resistors on board; consolidating gains and producing more change entails changing systems ,structures and policies that do not fit in the transformation vision, hiring, promoting and developing people who can implement the change may be undertaken, new projects, themes, and change agents serve to renew the change process. Finally, the eighth stage involves changing the organizational culture. Anchoring new approaches in the culture deals with consolidating the change by creating better performance through better customer and productivity-oriented behavior, developing the means to ensure leadership development and succession is important. Connections between new behaviors and organizational success need to be articulated.

The rationale for emergent approach is that change being an inherent characteristic of any organization, is continuous, dynamic and unpredictable occurrence that does not depend on preplanned and predefined plans but rather evolves from the external and internal environmental changes. It emphasizes on bottom-up and open-ended change which organizations use, to bring themselves back into line with their environment. It addresses key features of organizations that either promote or obstruct success, that is;

organizational structures, cultures, learning, managerial behavior, and power and politics (Burnes, 2009). Beckhard and Harris (1987) outlines the change process by beginning with an assessment of why change is needed; followed with the recognition of the need for change, leaders are tasked with defining and describing a desired state in contrast to an organization's reality; the discussion of how to get from the present to the desired state represents the action or implementation stage; and the final step in the change process is to manage the transition. According to Oseni (2007) there is no hard-and-fast rule to implementing change programmes. As the changes differ, so do the methods and approaches, but a combination of determination, careful planning and commitment among all the stakeholders will always produce good results.

2.5 Change Management Practices in Organizations

There is no 'best' practice or right 'formula' for the management of change. The success of any attempt at managing change will be dependent on the wider context in which the change is taking place (Appelbaum *et al*, 1998; Johnson *et al*, 2008). Kandt (2005) identifies several key practices to help support the change process. First, is to articulate an extremely compelling need for change: once an organization assesses its current state and clearly identifies its desired state, it will encourage others to embrace the change and increase successful change efforts; one way is for organizational leaders to change first and then continue to adhere to the desired behaviors or alternatively, compare an organization against its competitors and other best-of-breed organizations, often the survival of an organization is the compelling need for change. Secondly, communicate the change effectively and frequently to all stakeholders (Kandt, 2005; Johnson *et al*, 2008; Cabrey and Haughey, 2014). Communication beyond the determined boundaries of the system is essential if external individuals or

groups such as politicians, public and shareholders have a controlling influence over the change process (Dolny, 2001). Leaders need to create an atmosphere where their followers can listen to them as well as create a feedback mechanism whereby they can listen to their followers (Johnson et al, 2008).

Change at most three processes during a change effort (Kandt, 2005). When an organization attempts to change more than three processes, the change team often becomes confused about the goals, vision and objectives of the effort. According to Kotter (1996) the change team should create a vision and strategy for each process it expects to change; which must describe the new capabilities of the process and the expected performance improvements. The change team should document the vision for each change process to enable the organization focus and monitor the change process.

Fourthly, top-level executives should stay actively involved (Queensland, 2009; Burnes, 2009; Greenfield, 2012). This may include chairing executive steering committees, presiding over reward ceremonies and continuing to communicate in large and small forums. It demonstrates their commitment and support for the change programme.

Listen to the customer: an organization must capture the needs and desires of its customers since their perceptions of its strength and weaknesses are vital to its success. Customer input helps to improve the products an organization develops and the processes that most importantly address their concerns through periodic customer feedbacks (Kandt, 2005; Johnson et al, 2008).

Sixth, the organization must realign its infrastructure, its human resource, information, financial, organizational, and other support systems around the core

business processes. Organizational structure, for example should be an operational response to an organization's mission and strategy (Queensland, 2009).

Finally, to enable foster a creative and innovative environment, organizations must systematically and deliberately identify new ideas and ways of doing things better and plan for continuous improvement as this causes an organization to produce more reliable and efficiently enhanced products, customer satisfaction and value. The organization needs to challenge the basic assumptions on which its organization and industry has been built by testing and validating these ideas as well as give recognition to both successful and unsuccessful ones (Kandt, 2005; Johnson et al, 2008). All in all, successful change management practices require a commitment to transform what an organization is into what it wants to be (Cabrey and Haughey, 2014).

2.6 Challenges in Change Implementation

One of the major challenges in achieving strategic change can be the need to change often the longstanding mindsets or taken for granted assumptions-the paradigm (Johnson *et al.* 2008). The perception of the need for change as held by executives does not necessarily imply that others will hold or agree, as employees may see that others may need to change, but they will not need to (Lombard and Crafford, 2003). Resistance to change is influenced by how change is presented to people. Their capacity to adapt change can shrink if they misunderstand or resist change, causing barriers and ongoing issues (Queensland, 2009). Resistance is regarded as a multifaceted phenomenon, which introduces unanticipated delays, costs, and instabilities into the process of change (Ansof and McDonnel, 1990). Resistance to change takes on two main forms Kotter (1996): Systematic resistance which is

cognitive in nature and due to lack of knowledge, information and skills. It can be addressed through communication and information. Behavioral resistance is emotional in nature and derives from reactions, perceptions, and assumptions. It can be dealt with through the natural, individual and group processes to address prejudice, assumptions, perceptions and conclusion formulation. In organizations many factors come into play, such as the fear of the unknown, habits, the possibility of economic insecurity, threats to social relationships, loss of control, and failure to recognize the need for change. Such reasons will result in change that is ultimately stamped out and equilibrium returned, unless organization leaders as change agents step in to facilitate acceptance of change (Lombard and Crafford, 2003; Gitau, 2011).

Kotter (1996) insists that the much bigger challenge is not managing change but competent leadership. Only leadership can blast through the many sources of inertia, motivate the actions needed to alter behavior in any sufficient way and can get the culture to stick by anchoring it in the very culture of the organization. A leader is not necessarily someone at the top of an organization, but rather someone who is in a position to have and exert influence (Johnson *et al*, 2008). Lombard and Crafford (2003) emphasize that the leadership competencies of relevant people should be at higher than acceptable levels before any attempt to change is made. Basically, they should demonstrate an ability to lead their teams towards goal achievement.

Oseni, (2007) observes that management's adoption of a process change that is totally incompatible with the existing realities is a big blunder, regardless of the circumstances surrounding the decision. It is necessary to determine the extent of incompatibility with the reality and the extent to which the new system can be adopted to achieve the predetermined process change objectives in line with the overall organizational objectives. Another issue of importance is identifying

organizational parameters prior to change by gauging an organization's readiness, diversity, capacity, capability and power structure for change will determine the degree of change and their influence on the change programmes (Ansof and McDonnell, 1990; Balogun, 2001; Balogun and Hope Hailey, 2008; Johnson *et al*, 2008).

If the vision of a change agent differs from the values and beliefs of the organizational culture, then cultural issues must be addressed (Doyle, 2002; Gitau, 2011). Kiange (2010) identified the alignment of the organizational culture to the new strategic direction as one of the main challenges for Kenya Ports Authority. KPA's cultural web was predominantly conservative and thrived on the 'status quo'. In a study conducted by Dena (2010) she established that corporate cultural practices have an influence on management of strategic change as exercised by the commercial banks in Kenya. The cultural practices exercised to a great extent when managing change process included: teamwork, innovation and concern for quality, ethics, learning and competency. Change in organizational culture normally starts at the beginning of the process of change, but is only realized at the end (Kotter, 1996).

Developing and nurturing power contacts was a powerful tool which Dolny (2001) recognized as one she omitted in the Land Bank transformation. This tool involves cultivating relationships and fostering co-operation with persons in power, and maneuvering oneself into positions where this is likely to occur naturally. In concluding his study, Gitau (2011) states that strategic reforms in State Corporations were hindered by governance challenges: notably in establishment; management; exercise of ownership; recruitments and appointments; external political interference; rewards; compensation and incentives.

Dolny (2001) found out that it was necessary and beneficial to consolidate change if transformation is to be sustained otherwise there is likely to be reversion to old and life-entrenched patterns, norms, values and behavior. A similar view is held by Kotter (1996) who agrees in anchoring new approaches in the organizational, group and individual culture. Recognizing and rewarding performance assists in reinforcing the new behaviors. Connections between new behaviors and organizational success need to be clearly articulated.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section focuses on the methodology used to complete the research study. It highlights on the areas of the research design, the method for collecting the data and the means of analyzing the data collected.

3.2 Research Design

The design of the research was conducted through a case study. Yin (2003) defines a case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and the context are not clearly evident. A case study is characterized by its focus on depth rather than the breadth of the issue, in obtaining as much detail as possible; the case is examined within its natural setting; has a wide range of data sources and allows for focus on the complexity of relationships and processes and how they are interconnected, rather than trying to isolate individual factors (Muganda, 2010).

The choice of the case study allowed probing for in-depth understanding of the phenomenon under study within Lake Basin Development Authority. Similar studies (Machuki, 2005; Kiange, 2010; Kabanya-Kamau, 2011; Kisaka, 2011; Ng'ong'a, 2013) have successfully adopted this research design.

3.3 Data Collection

The study relied on both primary and secondary data. Primary data was collected by way of personal interviews guided by a structured interview schedule after getting the interviewees' consent for participation in the study. The study was developed in line

with the objectives of the study. Interview schedules are preferred because they aim to elicit unconscious as well as other types of material relating especially to personality dynamics and motivations (Kothari 2009).

The study collected views from the top and middle level management drawn from various divisions and departments and have been involved in the change management process in Lake Basin Development Authority. From the top level, chief managers in charge of Finance, Human Resource and Administration, Planning Research Business Development and Investment Promotion, and Technical Services were interviewed. From departmental level, managers interviewed were Administrative Services, Agriculture and Natural Resources, Business Development (Agri-Business), Human Resource, Information Communication Technology, Internal Audit and Management Accounts. The data was recorded by writing the responses as provided by the respondents.

Secondary data was collected through relevant publications such as LBDA strategic plans (2007-2014), internal newsletters, and performance contracts (2012-2014) to supplement the information gathered from primary data. This was to obtain information on the change management practices at LBDA as initiated by the top hierarchy, and the general staff overview of the challenges faced in the implementation of the change programmes and projects.

3.4 Data Analysis

The data captured was analyzed by way of content analysis, as the data was qualitative in nature. Content analysis is suitable for determining the content of written, recorded or published communication through a systematic and objective

manner (Kothari, 2009). In analyzing both the objectives, the meanings and implications emanating from the respondents' information derived from a set of similar responses, together with documented data regarding the change projects and programmes were categorized into similar themes and subthemes. Similar themes were categorized together and from them, subthemes were extracted which were also categorized together. The data was compared with theoretical approaches cited in the literature review. According to Muganda (2010) themes analysis is a qualitative technique that is useful in examining the different topics covered within a selection of documents when analyzing documents as vessels.

The study obtained data drawn from the various divisions and departments to determine whether the change management practices and challenges are similar or differ across the organization. Content analysis made it probable to reveal the actual situation on the ground and the solutions to the research questions based on the opinion of the interviewees. It also does not restrict the respondents on answers and has the potential of generating more detailed information. Mugenda and Mugenda (2003) agree that content analysis is mainly used in the study of existing information in order to determine factors that explain a specific phenomenon.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

Change management is concerned with the effective implementation and management of new processes, structures, strategy, systems, culture and people in an ongoing organization in a planned manner. The objectives of the study were to establish the change management practices at LBDA and to determine the challenges of managing change. This chapter presents the findings and discussions of the study. The focus of the chapter is captured in three sections: change management at LBDA, challenges of change implementation and discussions of the findings. The chapter also includes the theoretical and empirical comparisons of the findings.

4.2 Change management at Lake Basin Development Authority

This section focuses on the change management at Lake Basin Development Authority. The data was collected from the management team at the top and middle level within different divisions and departments involved in the change process of the organization. All the interviewees were aware of various strategic changes and change management practices that had been evident in the organization for the last three to six years, a strong point being that they were in the system during the period.

The Chief Manager Planning, Research, Business Development and Investment Promotion, started by affirming that the Authority had indeed undertaken strategic change initiatives in various areas to anchor the practices. The changes begun with the development of a new strategic plan covering the period 2008 to 2012. A new vision, mission statement, core values, strategic objectives and the organization's structure

were crafted to ensure that the organization remains relevant in the rapidly changing environment while being focused on its stakeholders needs. The new structure introduced the offices of chief managers to replace the former deputy managing director's post bringing on board newly highly qualified staff. The Authority also adopted several performance enhancing tools namely, rapid results initiatives, performance contracting, customer service charters, quality policy, ISO certification; regionalization of its projects, and programme based budgeting (PBB). The chief manager said that Authority has established a resource centre at the head office and digitalization of the resource materials is currently ongoing. The chief manager further elaborated that,

“Partnerships have been forged with different development partners. For example, ICRAF for land use, KOICA for Integrated Regional Development Master Plan (IRDMP) and Unicef for water and sanitation activities. The monitoring and evaluation unit of the organization has been revamped with newly employed and qualified personnel and others retrained to fit the new task alignment which provides us with feedback and status of the change projects and programmes. Let us not forget that the Authority's visibility in the region has changed through acquisition of branded pens, T-shirts, shirts, bags and umbrellas. We hold field days and exhibition shows to engage the public and create awareness of our activities and participate in a series of CSR activities. Surveys on customer satisfaction are carried out on annual basis to engage our customers on what their needs are and provide for those preferences as much as possible.”

The head of division for finance, human resource and administration, said that the introduction of balance score card (BSC) as an appraisal system has seen the focus shift from departmental to individual performance improvement. Job evaluation and training needs assessment has been carried out to realign the organogram and qualifications of each staff to the current job held and ensure proper placement and filling of gaps is done. The chief manager emphasized on the mainstreaming of internal monitoring of business processes to enhance revenue collection, training staff to fit the new tasks, embracing PBB and quarterly expenditure review reporting to

enhance the level of achievement in its operations. The chief manager outlined one of the financial strategies by saying,

“The authority has been funding quick wins projects for expansion of its revenue streams as a strategy to get faster investment returns from short term projects since the government funding is inadequate. For example the purchase of in calf steers for Lichota livestock multiplication center greatly increased the revenue base by 50% from the sale of mature cattle for beef both locally and regionally.”

The acting chief manager technical services elaborated on the capital projects currently under implementation by the organizations which are at various phases. The concept of funding the capital projects has been driven by positive response to a number of PPPs between LBDA and partners such as Edermann properties limited for LBDA headquarters complex and residential housing project and the proposals approved for the development of Magwagwa, Nandi and Webuye multipurpose dams development projects. These are flagship projects and programmes expected to make the Authority self-reliant for purposes of sustainability by the year 2020. He also mentioned that a project such as Kimira-Oluch smallholder farm improvement has been a great success enjoining LBDA, the GOK and African Development Bank in mitigating the effects of water scarcity and droughts to address food security and poverty issues and will be concluded this year for handing over to the community. The chief manager clarified that the decision to decentralize the authority’s operations was effected through regionalization in 2009, into smaller river basin based geographical zones was a strategic shift to provision of tailor made services for their regional customers. He concluded by saying that the organization has adopted regular bi-weekly and monthly reporting from all production units and projects implementation progress reporting which has not only enhanced performance but has led to an improvement in appropriations-in-aid collection.

The human resource manager said that there is no formal written down change programme or project to support the change process, a view shared by most managers. Regarding changes having taken place, she talked of the implementation of ERP in 2013 to enhance records and payroll management as well as enhancing sharing of data between functions. It was noted that previously the department utilized customized software that did not interlink with other functional modules. The new system is reported to have made interaction easier with the newly implemented Kenya Revenue Authority *i-Tax* platform requirements for monthly and annual tax returns. It was reported that staff records are automatically updated when changes are effected thus saving on time and labour. The introduction of staff medical scheme in April 2014 came at an opportune time as the previous outpatient allowance and NHIF was too meager to cater for the employees' and their family's health needs.

Major changes which have occurred in the administrative services department were the separation of the department; from personnel and administration to administrative services as their core activities. The acting manager is quoted as saying;

“The department outsourced services such as office cleaning, compound maintenance, office tea provision and security to external service providers this was a strategy that was adopted to reduce operational costs of hiring casual workers and concentrate on our core business. This will give an opportunity to the local entrepreneurs come up with groups and businesses to generate their own source of income and thus contribute towards establishing a conducive business environment and provide revenue to the national government.”

From the view of the manager, to ensure that internal controls are enhanced for proper supervision, the department spearheaded the purchase of a fleet of vehicles that is double cabins and single cabins for mobility and extension services for targeted customers both at the regional and head office. To this end, fuel cards were introduced

to replace cash payments of fuel at petrol stations. Total Kenya Ltd was identified as the supplier of fuel cards that is budgeted for on an annual basis to ensure control and usage of fuel and lubricants as each vehicle has a limit of amount available for its usage on a monthly basis. The work environment was changed to fit the quality management systems requirements. The department adopted the concept of open space within offices by replacing desks with workstations thereby cultivating a culture of free and open interaction amongst the members of staff and maximizing on the use of office space. The working environment was improved on recommendations from the environment and work surveys done. The washrooms, offices and board room were renovated and refurbished to give it a modern look as well as to create an enabling environment for the workers to perform and produce results within required standards. A refurbished customer care reception was opened to cater for external customers and visitors queries and information requirements connected to an intercom to allow for fast and efficient service delivery. All the interviewees mentioned the acquisition of ISO 9001:2008 certification in December 2012 as a milestone in effort to enhance service delivery and efficiency.

The manager business development (agri-business) remarked that,

“Despite limitation of financial resources, LBDA has embarked on the aggressive re-engineering of its activities to refurbish and commercialize its strategic business units to ensure that they operate at above break-even points and enhance the revenue base. Examples include the Rice Mill Company at Kibos, the proposed LBDA headquarters and shopping mall in Kisumu and regionalization of its operations in composed of 7 regional offices”.

The manager management accounts mentioned notable changes in the department. For example; the automation of financial operations and its interlink with other departments such as procurement, supplies and regional financial activities reduced the processing time frame of information and improved on the accessibility of on line

data within set out reporting parameters using the ERP system. A decision was made to move away from the traditional cash facilitation made to employees for payment of their travelling and accommodation expenses to e-payment through individual bank accounts to ease congestion and time wasted at the cash office as well as reduce insecurity of handling large cash transactions. MPesa mode of payments of goods was adopted by LBDC for payments of rice. The financial reporting framework has changed in tandem with the government reporting framework. The organization has now changed from IFRS to IPSAS in the reporting for its financial statements. This was in line with a government directive in July 2014 to allow for uniformity and consistency in reporting amongst all government institutions.

The information communication and technology department is a key player in harnessing the change programmes and projects through its technological initiatives.

According to the manager ICT,

“An automation survey was conducted to determine the level of automation in the organization in 2009 and to this end, a gap was identified. The management with the guidance of the head of department acquired new softwares and hardwares to facilitate automation. The target was to have one desktop or laptop per worker which has currently improved from 32% to 48%. The development of LBDA website was a milestone in creating awareness and enhancing communication both with internal and external stakeholders as well as reaching out to potential investors and customers.”

The manager confirmed further changes were carried out by establishing Local Area Network and Wide Area Network connection services in the head office and regions, followed by having Voice over Internet Protocol services at the head office and in specific regions. Intercom services were also installed in all offices to avoid physical movement of staff as well as save on time. The installation of shared broad band internet services in the organization at the head office, LBDC, Kibos fish farm,

Bungoma and Kitale modernized the sharing of information and reduced on travelling cost of the regional staff to the headquarters to present reports. The setting up of domain mails for staff enhanced external and internal exchange of information. In conclusion, an ICT policy has been developed to assist the users in the use and handling of computers.

All the interviewees said that there was no formal written down change programme or project and that a majority of the change initiatives were carried out majorly in reaction to specific factors. Firstly, government policies, new strategic plan, current restructuring of RDAs and board of directors' directives have played a role in creating a sense of urgency in propelling the changes. The Authority is required by policy as advocated in the revised RDAs policy of 2010 to be self-reliant for purposes of sustainability without expecting further funding from the exchequer, hence the need to embark on capital projects under the PPPs framework. Secondly the respondents mentioned that it was also imperative that all change projects had to be undertaken in response to the need and for the benefit of the people within its jurisdiction therefore involving the stakeholders in all their change programmes was a prerequisite to enable buy in and acceptance.

Thirdly, all the managers agreed that the changes were in response to the dynamic changes in national and international levels as priorities were attached to the achievement of Vision 2030 flagship projects envisaged for the region, focusing on achieving Millennium Development Goals (MDGs) and other relevant government policies and guidelines. To remain relevant in the dynamic social, economic and political environment was a factor emphasized by all interviewed. The chief manager finance, human resource and administration human resource manager said,

“The decision to employ, train and mentor young, qualified and professional staff rose from the fact that 70% of the staff were above forty years and the organization regarded succession planning as a key initiative to address the workforce gap in future. Hence, some of the changes were need driven”.

The study established that all the managers played a role in the change programmes by providing leadership and successful execution of the strategic changes more especially those they initiate in their respective divisions or departments. For example, the manager ICT said that he is the project manager for ERP and all ICT based projects. The manager develops the policies, implements and supervises the systems to ensure the users’ needs are met. The manager also acts as the link person for the organization and the service providers to ensure value for money is delivered. The commitment and support of the heads of divisions was also echoed by the chief manager planning, research, business development and investment promotion who said that they are the major change agents who develop the concepts or proposals for the new projects, spearhead the work plans and give quarterly reports to the line ministries on the change progress. The managers are equally tasked to involve their staff in the changes through assignment of activities and setting of targets to all their departmental members which has to be aligned to the corporate strategic plan’s goals and objectives.

The study established that a formal process was followed in communication of the change process in various ways. The chief managers added that various meetings and working retreats were held with the senior and middle level management as well as all the staff through open forums that allowed staff to express their views and give suggestions for improvements. Trainings have been conducted at all levels and relevant correspondences were shared through e-mails, memos, notices, website postings and newsletters. There were opportunities for those with dissenting views to

drop their complaints in the suggestion boxes or write it down in the complaints and compliments register which is available in all departments. It was further confirmed that as for the external stakeholders, letters were written to them inviting them to participate in exhibitions, investment forums, county assembly open meetings, field days and community gatherings. Extension services as well as personal one on one interaction were done with the local farmers to enable them understand the new vision and direction of the Authority. This brought them on board and there was a higher likelihood of ownership therefore reducing the resistance to change. The manager business development gave an occasion in July 2013, where the organization received its ISO certification and during the groundbreaking ceremony, all their suppliers, customers and other stakeholders were invited to participate in the event.

In regard to establishing whether the organization undertakes set out change management practices, the study found out that the organization carried out an analysis on the need for change through undertaking a SWOT analysis, different surveys were conducted these included customer satisfaction, work environment, employee satisfaction, training needs assessment and job evaluation. However, all the managers affirmed that no cultural diagnosis was done, to assess organizational and individual readiness for the intended change. This has at times elicited resistance from the staff whose attitude and behavior was not addressed prior to the change. One manager noted that the stakeholders are at times not fully involved in the design stage which causes undue misunderstandings and delays in the implementation of such projects. The managers quoted the managing director as being the main change agent who held several meetings with all managers as well as the staff members to set the ball rolling and to instill team work. The urgency for change was brought by the need to enhance performance that was under continuous assessment through the annual

performance contracting rating so as to validate the organizations' need for continuous funding by the exchequer. One of the managers remembered the managing director issuing the directive that the strategic vision, mission and core objectives were to be visibly placed in all offices as a daily reminder of their direction. All letters and memos were to be engraved with the vision statement and the ISO logo. This has since been effected.

The study established that a participatory approach had been used to implement the change process mainly through staff meetings; all departmental heads confirmed that they involve their members by discussing and agreeing on the expected annual targets and outcomes. They use the bottom-up-approach when it comes to improvements and feedbacks on weaknesses of the project which needs to be addressed. However it was remarked by most managers that most of the staff members fear pointing out certain issues in a change initiative which may not be working for them or the organization for fear of victimization or being declared hostile hence most times the suggestion boxes seldom contain recommendations from the staff.

Five managers agreed that the new structure and procedures and processes has promoted internal exchange between head quarters' and regional staff by enabling communication horizontally and vertically through the use of personal domains, internet facilities, intercom services, facilitation of mobile handset airtime and using ERP platform to integrate reports and data. On planning for improvements and motivating the employees, the chief managers agreed that much of the strategies are hinged on non-monetary rewards such as letters of appreciation or recognition, provision of the necessary working equipments and trainings of staff that have excelled in their performance. The managers had a different opinion in that they believed the management should hinge more importance to monetary rewards as this

has a positive effect on other employees and it can help create a healthy competitive environment to create short term wins. In regard to identification of special skills, this was brought out very strongly from all the interviewees who gave examples of fifteen management trainees and interns who had been employed due to their aggressiveness and skills in their various fields of disciplines that has led to achieving the organizational targets, innovative ideas, enhanced reporting, cost savings or increase in revenue generating streams. One manager commented that,

“It is unfortunate to note that the newly employed staff do not work for long and there is a high turnover among the younger employees who prefer greener pastures as the remuneration offered was not competitive and so the whole process of mentoring and training skilled employees defeats the intended purpose of the organization’s strategy in capacity building whereby investing in the development of human resource is regarded as an intellectual asset.”

The study looked at how the organization had implemented and institutionalized the new change initiatives. From the interviewees, it emerged that several changes had been instituted; operational costs had greatly reduced by the use of e-mails and intercom as a source of communication all meetings and minutes are sent on line. Leadership development and succession planning was more outlined and visible instead of engaging in organizational politics of power sharing. Enhanced service delivery and quality customer care has been evident since the implementation of quality management systems in the processes and procedures within the laid down standards. According to the manager agriculture and natural resources he explained by saying,

“The fisheries section, adopted a new technology that improved fingerling production through the production of male tilapia only which is currently in practice. This is done through a sex reversal technology that enables the male tilapia produce eggs and hatch fingerlings without dependence from the female fish.”

The human resource manager and ICT manager agreed that their various policies are now in used to assist the employees improve their productivity and efficiency of the use of their computers.

Secondary data was obtained from two strategic plans covering the years 2007 to 2014, newsletters and performance contracts kept at the organization's resource centre. From the 2012 newsletter availed, the vision had been changed from 'To be the leading Regional Development Authority through sustainable development of the lake basin region for the prosperity and higher quality of life for its citizens' to 'To be an authority in integrated socio-economic development in the Region'. The mission was also changed from 'To catalyze the economic development for the lake basin region in Kenya through integrated planning and promotions of resource based investments that will maximize its strengths and provide it with a competitive advantage' to read 'To foster integrated socio-economic programmes through optimum utilization of resources using appropriate technology and innovations for improved livelihoods of the communities within the Lake Basin Region'. The reason for redrafting the vision and mission was harnessed towards being an authoritative reference point in matters of integrated socio-economic development in the region; make it easier for the staff to recall and for the stakeholders to understand their roles and relevance in the organization's mandate. The strategic objectives were also revised from five lengthy statements to four brief and apt statements.

The strategic plan for 2012-2017 was developed with the aim of repositioning the authority to embrace change for faster execution as a fulcrum for social-economic development in the region. During this period, the environment is expected to be more competitive due to changing government dispensation and the opening of the regions

for social-economic and political cooperation. The Authority also anticipates enhancing penetration of the regional market and beyond by expanding its market share of products and services; adopting appropriate technology; developing networking, partnerships, collaboration and community involvement in its change initiatives. This is an a bid to make the region the most preferred place to invest, work and live as well as uplift the social-economic status. The highlights of change management practices captured towards achieving the strategic objectives include: PESTEL, SWOT and stakeholder analysis, governance structure, financial risk management, integrity assurance, resource mobilization, risk assessment and mitigation approaches, monitoring and evaluation reporting framework and a programme implementation matrix are well articulated.

According to the executive summary, to develop the strategic plans, LBDA management sought broad participation and consultation with external consultants, the board, its staff and other stakeholders. The was done not only to enable the users to easily understand and implement the strategies but also encourage ownership of the document and ensure that the interventions which are proposed are sustainable and acceptable options for development. The process begun with a serious review of previous strategic plan 2008-2012, followed by rigorous workshop sessions and a series of interactive refinement sessions. The plan has been cascaded into corporate and development work plans, so as to serve as part of reference in the Authority's daily operations, ensure effective service delivery and guide towards the attainment of LBDA's vision.

The performance contracts are signed annually between the government, parent ministry (MEW&NR), state department of water, directorate of regional development and LBDA's board of directors. In the 2013-2014 performance contract, the commitments and responsibilities of the board and management were: prompt delivery of public service in accordance with national laws and regulations; modernization of public service by introduction of modern technologies; innovative procedures and systems to improve service delivery; ensure public officers demonstrate professionalism, transparency and accountability in performance of duties; set comprehensive performance targets and ensuring their achievements; cascading the contract to all departments, sections, units, levels and cadres of employees and grass-root institutions for integration and participation of the change processes; development of an enhanced performance appraisal; preparing employees in the organization for the desired changes in working styles, attitudes and work ethics and promotion of national cohesion

4.3 Challenges of Managing Change at LBDA

An organization operates in a dynamic environment and therefore it has no choice but to adopt to the various changes on a continuous basis. The study sought to know the challenges that the managers encountered while implementing the change projects or programmes at LBDA.

Resistance to the change initiatives was an obstacle due to a shift in the status quo of the employees comfort zone. The study found out that challenge arose when the managing director rolled out regionalization programme. The managers said that some of the staff who had been seconded to the programme refused to leave feigning

health factors such as stress, chronic illness and availed medical reports which slowed the process. Anonymous letters were sent to ministries and politicians maligning the whole process with the intent of sabotaging its intended purpose of bringing services closure to the people. This was attributed to lack of creating awareness and educating the employees on the need to regionalize our operations. The acting chief manager technical services and business development manager admitted that it even degenerated to coercion which did not augur well with the employees. The affected employees feared their loss of control, reduction in allowances as the rates were lower, insecurity of being sacked, social disruption and inconveniences of moving. The manager human resource also gave an example of the newly launched staff medical scheme which elicited a lot of resistance as the staff did not want to forfeit the outpatient allowance and may not have been adequately informed and individually prepared to deal with the envisaged change. The organization is now keen on sensitization of staff before inception of any changes to allow reactions and ownership through workshops, seminars and open meetings with all employees regardless of levels to enable create ownership and buy in from them.

Inadequate funding was one of the major challenges viewed as an obstacle to the change process by all the interviewees. They agreed that the Authority is continuously faced with the challenge of resource availability due to financial constraints from the government and with limited donor funding. The manager management accounts reiterated that recurrent grants are not sufficient to meet the current salaries which leaves the organization had pressed to generate its own appropriations-in-aid to bridge the short fall. The chief managers said that it has not been possible to implement all the programmes and projects as planned in the strategic plan as the development grant is also inadequate. This scenario has led to LBDAs' aggressive use of PPPs approach

and other funding mechanisms agreeable to the government's funding policies to part-finance some of the capital projects and programmes. It was mentioned that the Authority has had to commercialize strategic business units such as the ricemill complex, machinery services and Kibos fish farm.

Culture is to an organization what personality is to an individual. Cultures serve as forces that draw organizational members together; creating a sense of cohesion, which when used well can drive growth and success. All the managers mentioned that LBDA's culture had been a hard nut to crack which has taken several external consultants, retreats, workshops and sensitization of the staff to make them willing to accept and support the change process. They felt that the initial champions of the change projects were not recognized and this led to demoralized staffs that were not willing to support the new change programmes. Communication was based on top down approach that hindered creativity, the participation of employees as well as ownership of any change project. Decision making was more or less left to the chief executive officer and the top management in matters of disciplinary, rewards, promotions and trainings. Changing the mindset of the staff was difficult as they associated change with the top managers who were seen as the owners and they distanced themselves from the process. The chief managers also agreed that before, the organizational practices and rituals were not openly challenged whether they were positive or negative as this would elicit being hostile. Gender balance was not given priority in management positions and there were more women working at the lower positions than their male counterparts.

The research gathered that with the advent of the new strategic plan and in a bid to adopt best practices, the management started engaging new employees in tandem with the government requirements on gender balance. Project teams and task forces as well

as committees were formed to participate in decision making in regard to project implementation, training, promotions, disciplinary, ethics and reward systems for the employees, this increased the trust and support from the employees as decisions are not made at the whims of an individual. Currently, the chief manager finance, human resource and administration confirmed his use of an open door policy to encourage interaction with employees. To embrace team work and share identity, the employees are encouraged to wear branded t-shirts or shirts on specified occasions or days. Annual Christmas parties were introduced to harness a sense of belonging which helped to reduce conflicts, misunderstandings and rumours. The study found out that LBDAs culture though resistant to change can indeed be changed with proper communication and management.

The managers responded that the chief executive officer is the main vision bearer and so his level of commitment and support sets the pace for the change process. LBDA has had several managing directors whose employment contract is renewable after three years. This means a high turnover for chief executive officers whose terms may or may not be renewable based on their previous performance. They cited the dangers of this trend is that implementation of change programmes may stale or be left incomplete and its continuation and enthusiasm may not be the same as the incoming one, who may come in with a different vision, agenda and plans. The chief manager finance, human resource and administration said that,

‘Departmental and regional managers have been continuously trained and monthly reporting meetings are held to ensure that they demonstrate an ability to lead their teams towards achieving not only organizational goals but also set out departmental targets.’ The study found out that the managers were willing, able, allowed and supported in dealing with change first before attempting to facilitate change in the

lower levels which is constantly echoed by the chief executive officer as long as it benefits the Authority.

The manager business development confessed that the organization's earlier communication was not done strategically. Most of the employees got to know of changes through rumours, gossips and stories. Information was available to specific line managers depending on their nature of work. The manager human resource added that to ensure effective communication, the current chief executive has made an effort to make frequent briefs and meetings with top, line and regional managers on issues concerning the changes in the organization or any board decisions necessitating their action. Instances of such meetings were done for ISO, ERP and staff medical schemes. The managers are then entrusted to cascade effective information and communication channels to the various levels and areas of responsibility. The goal is to ensure that all staff receives the intended information to gain support and make them understand that the changes are for the good of the organization. Other means used are sensitization of staff, notice boards, posting to staff e-mail domains and open forums where staffs pose comments and questions to the management team.

The acting chief manager technical services started by elaborating that Lake Basin Development Authority was a parastatal formed by Act of parliament hence its political inference is seen by the appointments of board of directors and managing directors which is done by the line minister in consultation with the government of the day. It was further mentioned that its jurisdiction within eighteen counties presupposes that it is bound to meet varied political views and opinions and vested interests on the change projects and programmes. A case was given when at the

design and inception stage of the Nandi multipurpose dam; it solicited a strong resistance from the community who felt that the project was going to benefit a certain community to their detriment. Their views were further fueled by the area leaders who refused to lobby support from the local residents claiming that it would destroy the natural resources while seeking for control and ownership. It took several meetings with the community as well as collaborative government intervention to make the people understand that the benefits outweighed the negatives and that it would improve their livelihood and income per capita.

The chief manager planning, research, business development, investment and promotion clarified that the Authority has been in existence in three different government dispensations. Each government has had dissimilar line ministries whose legal mandate change depending on the national government's development agenda. This has caused a challenge of inconsistency in regard to project and programme implementation in that in the event of a change in government the risks of having partially incomplete projects are high if priorities and funding is shifted to other sectors. The line ministries are also competing with the Authority for funding especially where their activities are similar or cross cutting. Examples are the Ministries of Agriculture and Livestock development and Environment, Water and Natural Resources.

LBDA was established by an Act of parliament and can only operate within the Act and any deviation requires government approval and intervention which are often time consuming and detrimental in a dynamic environment where speed of change is important. An example is when the constitution was promulgated in 2010, it changed the mandate of central government and county governments came into existence. The

existence of the Authority along with other RDAs was in jeopardy as their functions were nearly devolved to counties. The manager business development added

“That the organization has sought to differentiate itself from the other parastatals by pursuing an integrated basin based development approach in all its projects such as promotion of dairy farming, upland rice production, integrated fish farming, community outreach, agriculture, apiculture and horticulture. The strategic decision to invest in capital projects was to eventually reduce dependence on the national government, create wealth and empower the communities in a bid to transform their lives and social status.”

According to the managers, the structures, systems and processes did not pose a major challenge as they were realigned to fit into the changes. Each departmental head was tasked with developing procedures, processes and structure to be drafted into the corporate work plan. In this way, they were able to give their input and were involved in its change. However three managers faulted the current structure in that the organization’s remuneration package has not been harmonized at all the levels. This has raised low motivation among the affected employees which may ultimately affect productivity if not addressed on time. They were all in agreement that gauging the organizational and individual readiness for change is imperative though not much has been done on this and the managers felt there is still room for improvement as the changes will only succeed when all the parameters are tackled and not only in one component in the change process. The challenges highlighted while implementing the strategic plan were: rapidly changing business environment, narrow product range, high dependence on the exchequer, limited resources and lengthy and time consuming procurement processes.

The study established that the organization has a documented framework of monitoring and evaluating the progress of the changes. The planning department has a monitoring and evaluation department that makes quarterly visits to regions and projects to establish the status and performance within the set annual targets. Reports

are submitted to the board, management and ministry. The organization also has an ISO team that ensures internal scheduled audits are carried for compliance to the standards, the internal systems controls are done by the internal audit department that issues reports for corrective action to the managing director and are answerable to the audit committee of the board. Adhoc teams are also set up to supervise and implement the new projects and programmes to completion.

4.4 Discussion

From the findings, the study established that LBDA underwent a transformational change. Balogun et al (2008) defined transformation as change which cannot be handled within the existing paradigm and organizational routines but involves a change in the assumptions and perceptions of the organization and people. It is a fundamental change within the organization that entails a shift in strategy, structures, systems, processes and culture. Transformational change is specifically associated with redefinition of corporate values, dramatic restructuring and variations of business re-engineering.

The changes that were effected in LBDA to compel an urgent need for change was by developing a new strategic plan in 2008, therein creating and redefining a new vision, mission and core values, new structure, organizational objectives; introduction of performance contracting among the board, managing director and managers; regionalization of the operations into seven regions; development of the organizational quality policy and service charter, ISO 9001:2008 certification based on quality management systems; establishment of a digital resource centre at the LBDA headquarters to provide information to both external and internal stakeholders; investment in capital projects as targeted future market niche in LBDA and its

environs such include the LBDA headquarter shopping complex, Nandi and Magwagwa multipurpose dams; the adoption of best practices by introduction of balance score card as an appraisal tool in 2013, implementation of job evaluation and training needs assessment reports, implementation of ERP to enhance integrated reporting; introduction of staff medical scheme in April 2014 to cover all staff; outsourcing of essential services such as office cleaning, compound maintenance, acquisition of airtime ,office tea and security done so as to focus on core business activities and reduce operational costs, purchase of vehicles to enhance supervision, introduction of fuel cards with Total Kenya, infrastructural changes in work environment which included refurbished offices, washrooms, use of open space work stations, establishment of customer care reception, commercialization of strategic business units such as rice mill complex transformed into a company known as LBDC, introduction of electronic transfer payments of staff allowances directly to staff bank accounts , adoption of MPesa payment for rice sales, change in financial reporting from IFRS to IPSAs in July 2014, use of programme based budgeting, development of ICT policy, acquisition of hardware and software to facilitate automation, development of LBDA website, establishment of wide area network, local area network and voice over internet protocol connections to enhance communication, installation of shared broad band internet services in all offices and setting up of domain mails for all staff to allow for ease of shared data and security of information.

In managing the changes the study established that LBDA adopted a planned approach to change. Burnes (2009) views planned approach as a sequential process of moving from one state to another through a series of preplanned steps. LBDA in developing its initial strategic plan in 2007 set out specific objectives, projects that it

had envisaged to attain and change. Capital projects were included in this strategy, regionalization of its operations, the acquisition of vehicles, commercialization of the rice mill and focus on customized service delivery to farmers and other stakeholders through customer surveys and extension services. Performance contracting as an organizational annual appraisal tool brought in ISO certification, customer focused service charters, quality policy and better management, activities and programmes had to be completed within a specific time frame such as construction of boreholes, water pans, production of a targeted number of fingerlings, acreage under afforestation or milk production. The adoption of best practices meant prudent financial management as one of the key criteria for evaluation.

There were also instances when an emergent approach to change was used. The rationale for this approach is that organizations operate in a dynamic and unpredictable environment that does not depend on preplanned plans but changes in tandem with the external and internal surroundings (Burns, 2009). The Authority implemented automation and the use of appropriate technology for communication due to government directives and regulations to cut down costs, reports to the line ministries were required in soft copies and urgent deadlines were communicated via e-mail such as monitoring and evaluation quarterly reports and projects' status. Kenya Revenue Authority being a key regulator gave deadlines of submitting tax returns on line for all organizations and individual employees to enhance efficiency and accuracy in tax computation. MPesa mode of payment was adopted by LBDC in response to better service delivery and customer satisfaction as most businesses have embraced cashless transactions. From the study, both planned and emergent approaches to change were used.

In relation to theory, LBDA's change management process is a reflection of Kotter's eight stage change management process. According to Kotter (1996) the steps involves establishing a sense of urgency, forming a powerful guiding coalition, creating a vision and strategy, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvements and producing more change and institutionalizing new approaches. However, LBDA does not have a specific guiding team that is clearly identified as a coalition of members to lead all change initiatives. Kiange (2010) in his study on change practices at KPA agrees that setting up a team composed of top management, consultants and key employees to steer the change process assisted in the success of the change initiatives as the team was responsible for the formulation, implementation and coordination of various change efforts.

The use of Organizational development theory has helped in understanding LBDA's change management process. It relates organizational changes in response to the environment as an educational strategy to assist it adopt new technologies, markets and challenges. The strategies that have been used by LBDA in its change process include examining the market and identifying potential crises or major opportunities using SWOT, PESTEL and stakeholder analysis in its strategic plan to create a sense of urgency, developing a vision, mission, and core values to drive the change, communicating the vision using every available means, changing the systems and structures that undermine the vision, recognizing and rewarding employees to flaunt short term gains, hiring of new employees to bring in new innovative ideas and continuous training and development of its managers to institutionalize the changes and enhance better service and product delivery.

The open systems theory brings out the relationship between organizations and their environments in that a strong influence forces organizations to realign their subsystems to conform to the political, economic and social changes for their survival and success (Bastedo, 2004). From the study LBDA was required to change their systems, structure, processes and procedures in line with the change in the political, social and economic forces. The government required all RDAs to develop and implement self-sustainability strategies to remove dependence on the exchequer by 2020, hence the implementation of capital projects and commercialization of strategic business units. The organization engaged the stakeholders through customer surveys, field days and exhibitions which culminated into regional integrated technical, programmatic and management support for high quality tailor-made service delivery hence the operations were decentralized, outsourcing was also given to local entrepreneurs to boost their businesses and provide employment opportunities to those engaged in community based organizations. Ng'on'ga (2013) in his study of stakeholders' involvement at KPLC found out that the stakeholders in KPLC were majorly involved in the change management process by airing their views in the execution of the change process in the pilot phase. They gave their feedbacks through meetings, emails and memos. Not involving the internal stakeholder in the design stage proved to be a challenge as the views of employees were ignored leading to low support of the changes.

Complexity theory implies that since organizations are complex in nature, long term planning is impossible and it therefore requires such organizations to be innovative and adaptive to fit into an era of rapid change (Brown *et al.*, 1997). LBDA adopted current trends and best business practices for efficient and effective management, these included ERP, MPesa for payment of goods, electronic transfers of staff

allowances, balance score card as an appraisal tool, developing organizational website and facilitation of internet links in all departments, use of fuel cards and setting up of a resource centre. The study also found that LBDA had taken initiatives to communicate the change to the employees through sensitization, training, seminars, retreats, open forums and external consultants to reduce the resistance to the change. The top management support was a key factor in driving the change. The same is supported by Cabrey *et al.* (2014) who advocates for skilled, bold and competent leaders who will ensure that those changes are strategically aligned to business goals. It was noted that involvement of everyone in change process would be better enhanced if the steps were broken down into more simple while allowing team building activities can influence the weaker and timid employees towards support and ultimately the success of the change programme.

Kiange (2010) confirms that KPA management used strategies such as adjusting the organizational culture, change in vision, mission and core values, support by top management, training, communicating changes, participation and coercion. The major challenge faced by the organization was the alignment of the organizational culture and staff with the new strategic direction. Kabanya-Kamau (2011) in her study of implementation of change management practices at ICIPE reaffirmed that staff involvement is key in ensuring the success of strategic change process. Further, it is important to gain ownership by all stakeholders as this helps in minimizing the resistance to change by all those involved especially when planning is done in advance and communication of the change process is done in a timely manner.

Gitau (2011) concludes that strategic change management practices, tools, organizational structure and leadership style adopted within State Corporations was

possible and was successful in enabling corporations in achieving commercial and social goals, correcting market failures, exploiting social and political objectives, redistribute income or develop marginal areas, promote innovation, enforcing intellectual property rights as well as promoting industrial development, research and appropriate technology.

CHAPTER FIVE: SUMMARY, CONCLUSION AND

RECOMMENDATIONS

5.1 Introduction

Change management is a structured and systematic approach to achieving a sustained change in an organization that involves the organizational and behavioral adjustments that need to accommodate and sustain change. This chapter presents a summary of the research findings based on the analysis of the research objectives, conclusions drawn from the summary of the research findings, recommendations for policy and practice, limitations of the study and suggestions for further research.

5.2 Summary of Findings

The first objective of the study was to establish the change management practices at LBDA. The study revealed that the organization has carried out several practices to conform to the changing environment these are: developing a new strategic plan, vision, mission and core values therefore instilling in the organization and individual a commitment to change; customer focus and enhanced service delivery by developing service charter, quality policy , annual customer and employee surveys, attained ISO certification; developed communication channels by leveraging on technology using intercom , website , internet and other broad band services; people development and succession planning; realigned its structure, systems and processes in line with the change initiatives; monitoring and evaluating the change process , quarterly reporting, frequent management meetings and reporting to line ministries on the status; adopted financial prudence in reporting and budgeting framework using

IPSAAs, programme based budgeting; enjoining the commitment of management to spearhead work plan preparation, supervision and decision making in various committees; adopted best practices for continuous improvement and employee motivation such as balance score card appraisal tool , training needs assessment , job evaluation, outsourcing of non-core activities such as office cleaning, security, fuel cards requisition, office cleaning and maintenance; enhanced sustainability strategies to survive in a competitive environment where funding is limited by fostering a creative and innovative environment by implementing capital projects such as LBDA headquarter and shopping mall and multipurpose dams, commercialization of strategic business units and developed leadership skills and commitment by allowing managers undergo performance contracting ,specific trainings, seminars and retreats to build their capacity and lead their teams towards goal achievement.

The second objective was to determine the challenges of managing change at LBDA. The results of the study showed that the Authority encountered several challenges in the implementation of change management. The challenges are: resistance to change, financial challenges due to inadequate funding, communication, organizational culture, political interferences due to vested interests, government when it involves directives and line ministries, legal challenges as pertaining to its mandate and consolidating the change. It was however found out that LBDA had taken particular initiatives to handle the challenges such as sensitization, training and creating communication channels for the staff and external parties to bring out the benefits of the changes. Government interventions were sought in areas where they encountered hostility in various regions and efforts have been made to tackle the financial inadequacy through implementing capital projects.

5.3 Conclusion

The overall results indicate that the change management practices adopted by LBDA in its change projects and programmes are effective. LBDA was able to successfully undertake several change initiatives; key among them were developing new strategic plans, strategies, vision, mission and core values, re-engineering the business processes, systems and procedures, restructuring, investing in quick returns projects, enhanced customer focus and service delivery through quality management systems, enhanced technology and communication, outsourcing of non-core activities and adoption of best practices for continuous improvement. It can be concluded that the change practices implemented by LBDA support the change management process.

Nonetheless, the management of change in the organization has been affected by the challenges it is currently facing. The findings indicate that LBDA is experiencing problems linked with its culture, inadequate finances, resistance to change, political interference, rapidly changing environment, communication, government and legal as well as lengthy and time consuming procurement process. It can therefore be concluded that like other organizations, LBDA is facing change management challenges. The Authority made efforts to handle the challenges by making the change process all inclusive through holding meetings, group sessions, trainings, resource mobilization by attracting PPPs, commercializing some of the strategic business units and automation of its operations.

From the findings, the study established that LBDA underwent a transformational change. Its corporate values, strategies, structures, systems and processes were redefined and realigned to fit into the changing environment. The major approach

used to manage change was planned approach although there are instances when emergent change approach came into play. Planned approach was used in the implementation of the new strategic plan, performance contract targets, capital projects and adoption of best practices. Emergent approach is seen in the implementation of automation in its reporting framework, communication and improved customer and service delivery. In relation to theory, LBDA's change management process is a reflection of Kotter's eight stage change management process. The process entails creating a sense of urgency , creating a guiding coalition, developing a vision and a strategy, communicating the vision, empowering others to attain the vision, generating short-term wins, consolidating the gains while planning for more change. This is imperative as (Oseni, 2007; Kiange, 2010) in their study support the setting up a guiding team made up of managers at levels and of different disciplines to the success of its change programmes. Emergent approach is seen in the implementation of automation in its reporting framework, on line communication and improved customer and service delivery. Emergent change does not depend on preplanned or predefined plans and implies that long term planning is impossible (Brown et.al,1997; Burnes, 2009;). Strategic change management practices, tools, organizational structure, culture and leadership style adopted by the organization is possible for the success of the change initiatives (Dena, 2010; Gitau, 2011; Kabanya-Kamau, 2011).

5.4 Recommendations for Policy and Practice

The study recommends that cultural diagnosis be done to assess the organizational and individual readiness before any change project or programme is done. This will enable the organization have a holistic view and involve all the stakeholders from an

informed position instead of addressing a few areas. Having a guiding team or standing committee that is proactive in identifying problems and resistance during the before and during the implementation will assist in finding effective solutions. The team members should be drawn from all departments who should meet regularly and present their findings to the management. A formal change programme should be documented for reference and evaluation purposes when such a need arises.

The management should come up with an effective communication strategy that puts emphasis on bottom-up approach to change issues. The studies showed that most employees do not have an effective feedback tool that they can air their grievances without fear of reprisal or dire consequences. Managers need to ensure that their suggestions are favored and appreciated if it is not easy as long as the ideas are viable, it does make a difference to their commitment and in the achievements of their set goals. Where the strategies are technically complicated, they can be broken down to more simple steps.

Finally to successfully manage the change, the organization needs to plan more for improvements and link it to create motivation for the employees. Harmonization of the remuneration package with the new structure at all levels could increase acceptance and buy-in and reduce turnover from the employees. To reduce the lengthy procurement process, the management could adopt e-procurement that has been recently rolled out by the government to reduce bureaucratic procedures and improve service delivery to all stakeholders in the supply chain.

5.5 Limitations of the Study

The study was limited by the design of the study. The study chose to do a cross-sectional study which collects data at one point in time. Change is known to be a continuous process and the study was limited by using cross-sectional design.

The study had a limited scope. It only assessed the management involvement in the change management process. It did not explore the effects of their involvement on the performance of the organization neither did it investigate the involvement of employees and other stakeholders in the change management process.

The study was carried out within LBDA's location, working culture and environment. Other organizations may therefore have different cultures, structures, competencies and resource capabilities and hence display different reactions to change. The interviewees were also not readily available which further delayed the interview process and the compilation of the findings.

5.6 Suggestions for Further Research

The study suggests that the same study can be conducted in future to investigate the effect of change management on performance at Lake Basin Development Authority. Further research can be carried out to establish the involvement of employees and other stakeholders in the management of strategic change in LBDA. A similar study can be done on management of strategic change within Regional Development Authorities as this will give a broader scope to the research.

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APPENDICES

Appendix I: Cover Letter

Christine A. Otieno,
University of Nairobi,
School of Business

25th September, 2014.

Dear Sir/Madam,

REF: INTRODUCTION LETTER

I am a post graduate student pursuing a degree in Master of Business Administration (MBA) at the School of Business in the University of Nairobi. As part of the MBA part II requirements, I have chosen to study on 'Change Management at Lake Basin Development Authority'. The study seeks to establish the change management practices and challenges faced in managing the change using Lake Basin Development Authority as a case study.

This letter serves to kindly request your cooperation as you have been selected as part of those that will be interviewed, in a bid to obtain information for the above study. I assure you that the information will be used strictly for academic purposes and all information will be treated confidentially.

A copy of the study will be available upon request. Thank you for taking time to participate in the study.

Yours sincerely,

Christine Awuor Otieno

MBA Student

Registration No. D61/61868/2013

Appendix II: University of Nairobi Letter of Introduction



UNIVERSITY OF NAIROBI **SCHOOL OF BUSINESS** **KISUMU CAMPUS**

Telegrams: "Varsity" Nairobi
Fax: 4181650
Kisumu, Kenya
Telex: 22095Varsity
Mobile: 0720348080
Email: ajaleha@uonbi.ac.ke

P.O Box 19134-40123
Kisumu, Kenya

Date: 24th September, 2014.

TO WHOM IT MAY CONCERN

The bearer of this letter Ms. Otieno Awuor Christine

REGISTRATION NO: D61/61868/2013

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, she is expected to carry out a study on "**Change Management at Lake Basin Development Authority.**"

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

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

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. ALEX JALEHA
COORDINATOR, SOB, KISUMU CAMPUS

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Appendix III: Interview Guide for Managers

The interview will seek to establish the following objectives:

- (i) To establish the change management practices at LBDA
- (ii) To determine the challenges faced by the management in the implementation of change programmes.

Section A: Change Management Practices

1. What is the name of your department and how long have you worked in the company?
2. Does the organization have a formal written down change programme or project? How does this programme (if any) support the change process?
3. What strategic changes have occurred in LBDA and your department over the last three to six years?
4. What are the major factors that you consider led to the changes?
5. What role do you play in LBDA's change management process? Were you involved in its planning and implementation?
6. How was the change implementation process carried out, was it a formal or informal method used?
7. Who do you consider were the main stakeholders in the change process implementation, and how do you ensure that you explain to stakeholders in your department why changes are necessary?
8. Were there any prior arrangements before and after the change process was implemented, for instance trainings, workshops or seminars and how effective have they been in assisting the staff in handling their new roles after the change process?
9. Comment on how the organization has undertaken each of the following practices in the management of strategic change.
 - a) Analyzing the organization and its need for change
 - b) Cultural diagnosis to assess organizational and individual readiness for any intended changes.
 - c) Establishing and creating a sense of urgency for change and communication of the vision for change.
 - d) Using participatory approach to organizational strategy development.
 - e) Creating a structure that promotes internal exchange.

- f) Planning for improvements and creating motivation for the employees.
- g) Identification of specialist skills that is necessary to manage the different types of change and adopting a learning approach to change development.
- h) Institutionalizing new change initiatives; willingness to separate from the past and not bound to maintaining the status quo.

Section B: Challenges of change implementation

1. What challenges did you experience when implementing the change process?
2. What specific strategies did the organization employ to create the desire in people to support and participate in the change process?
3. Is the senior management team of the organization in the forefront in providing leadership to enable change implementation process, and how do they ensure their participation?
4. What will you comment on the organizational culture in relation to the change process?
5. What will you comment on LBDA's organization structures, systems and procedures in terms of its support for the change process?
6. Do you find the resources allocated for each department or division adequate for the successful implementation of the change initiative? If not, how can this be enhanced?
7. Do you consider assessing the organizational and individual readiness important to consider before implementing the change process? Please explain?
8. Did you have any challenges from external stakeholders in implementing the change process and how did they support the change?
9. Did the organization face any resistance and what strategies have LBDA put in place to create acceptance the change programme?
10. Does LBDA have documented framework of monitoring and evaluating change implementation process?
11. Please give any other comment you may have regarding the subject of this research.