



JOURNAL MANAGING STRATEGIC CHANGE FOR ORGANIZATIONAL PERFORMANCE

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ABSTRACT

Organizational change has been an issue of growing interest among researchers and practitioners. Management of Strategic Change especially in technology is vital in any organization that wishes to enjoy competitive advantage. The main purpose of this study was to critique the 3 journals by Ibrahim and Robert (2018) looked at managing strategic change of an organization performance; a case study of Nzoia Sugar Company Kenya, Fotis Kitsios and Maria Kamariotou (2017) on strategic change management in public sector transformation; a case of middle manager leadership in Greece and Omari, S. M., Ateka, R. M., & Nyaboga, B. (2013) on the influence of strategic change management practices on organizational performance: A case of the operations of soft drink industries in Western Kenya with reference to managing strategic change and performance of organizations. Specifically the study aimed to examine how managing strategic change enhances performance in organizations. These studies however did not have any outright theories anchoring them. Several research designs were employed including, descriptive survey, postal survey and census study. Ibrahim's study had a lean sample of 44 respondents. The questionnaires and interview schedules were used as data collection instruments in all the studies. Data analysis and interpretation was based on descriptive statistics as well as inferential statistics mainly multi-linear regressions and factor analysis. The findings showed that managing strategic change in organizations is statistically significant in predicting the performance of organizations only if the executive are in support, stakeholders are involved and only if there is commitment from the executives towards the said change. Therefore, managing strategic change does explain any variations in performance of in many organizations.

KEYWORDS; Strategic Change Management, Strategic change, organizational Performance.

1.1 INTRODUCTION

Organizations in the public sector are facing rapid changes in the business environment, especially changes regarding technological applications, economic changes, consumer services, technologies and product lifecycles (Fotis Kitsios and Maria Kamariotou, 2017). Organizations in public sector must meet the ever growing needs of various customers while dealing with the perspective of limited funding and little rate of revenues (Piercy, 2013). Also, they often need to develop and accommodate changes in the technology, governance,



design and delivery of public services. The application of such organizational changes is a fundamental challenge for managers in public sector (Omari, 2013). Ibrahim and Robert (2018) looked at managing strategic change of an organization performance; a case study of Nzoia Sugar Company Kenya. The findings showed that most of the workers who resisted change were subordinates comprising 67.7% while managers who resisted comprised 6.5%. There was a negative correlation between resistance to change and involvement in resistance to change. The study recommended involvement of all stakeholders in strategy formulation implementation and control. However the study was not specifically on change in a particular aspect of the organization like technology, processes or people as therefore a specific study on change in a particular change dimension would be an appropriate approach (Ibrahim and Robert, 2018). Fotis Kitsios and Maria Kamariotou (2017) on strategic change management in public sector transformation; a case of middle manager leadership in Greece found that employees in the public sector have dealt with several changes but there is a lack of management support, clear vision, training and commitment (Fotis Kitsios and Maria Kamariotou, 2017). The study supports the findings by Ibrahim and Robert (2018) on involvement and commitment even though the study was global in nature unlike the current study which is Kenyan specific. Lastly a study by Omari, S. M., Ateka, R. M., & Nyaboga, B. (2013) on the influence of strategic change management practices on organizational performance: A case of the operations of soft drink industries in Western Kenya found that executive commitment, continuous planning, goals and policies on change effort and maintaining change teams played a big role in strategic change management practices in the industry (Omari, 2013). While reviewed literature depicts advantages regarding the theoretical aspects of strategic change management, there is still inconclusive evidence that strategic change management achieves the benefits promised on performance for public organizations. Given the mixed research findings on the relationship between the two variables and further most studies investigating aspects of the relationship have been done in different contexts, measurements, conceptualizations and methodologies rather than technology and county governance. This study attempted to answer the question: from the above review there is need to conduct a similar but specific study on an aspect of change.



1.1. General Objective

The general objective of the studies reviewed was to determine how managing of strategic change affects performance in organizations.

1.1.1. Specific Objectives

This study was guided by the following objective;

- a) To critique the journal examining the influence of managing strategic change on organizational performance

1.3.2. Research hypotheses

H01: Managing Strategic change in organizations has no significant effect on organizational performance.

1.4 Significance of the Study

The output of the study will assist in the formulation of a systematic process of applying strategic change practices on performance in organizations. The expected outcome will be efficient and effective change management in the ears of governance, technology, human resources and regulations. This will further result into better understanding of influence of the use of strategic change practices to enhance performance in organizations. It will further result into assistance of formulation of policy in the key areas of administration, planning and performance. Finally, it will also contribute to scientific knowledge base for academic purposes.

1.8. Conceptual Framework

Managing Strategic Change was the independent variable while organizational performance was the dependent variable. The relationship is presented as in Figure 1.1

Independent Variables

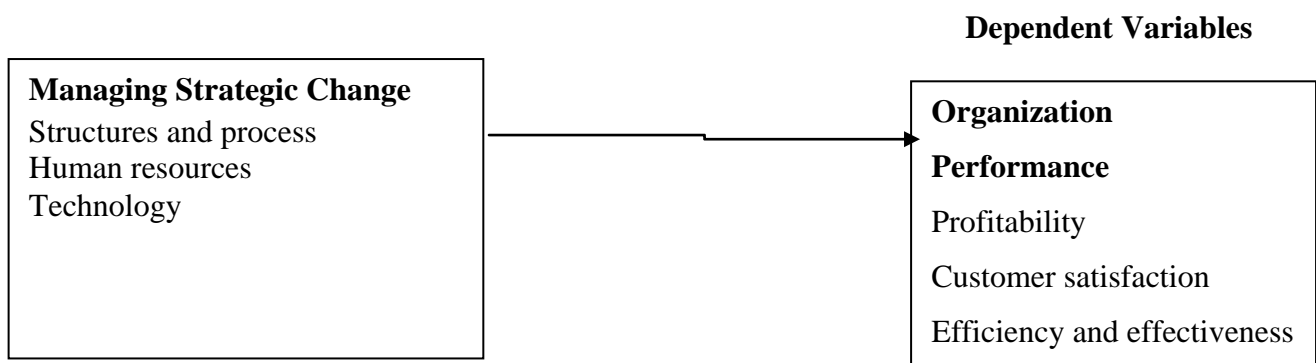


Figure 1.1: Conceptual Framework Showing Interaction of Variables



Source: Researcher, 2019

2.0. Theoretical Framework

This critique was guided by the Open Systems Theory proposed by Harvey in the year (2005). Open Systems Theory (OST) refers simply to the concept that organizations are strongly influenced by their environment (Harvey, 2005). OST is a modern systems-based changed management theory designed to create healthy, innovative and resilient organizations and communities in today's fast changing and unpredictable environments. As organizations and communities conduct their business they influence and change their external environments, while at the same time being influenced by external changes in local and global environments in a two-way influential change known as active adaptive change (Pfeffer & Salancik, 2003). The environment consists of other organizations that exert various forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival. Organizations and communities are open systems; changing and influencing each other over time. To ensure viability an open system must have an open and active adaptive relationship with its external environment because a healthy viable open system has a direct correlation with respect to changing values and expectations over time with its external environment (Pfeffer & Salancik, 2003). This means that if the values and expectations of a certain organization or community are out of sync with those that exist in the external environment then that particular organization or community will eventually become unhealthy and unviable. People too are open systems. Through their actions they influence and change their external environment, and at the same time are constantly being influenced by changes in the external environment. From an employee's perspective, the organization itself is their immediate external environment. In today's globalized and networked world socio-ecological change is relentless and increasing exponentially (Pfeffer & Salancik, 2003).

3.0. RESEARCH METHODOLOGY

3.1. Research Design

The studies employed different survey designs. Ibrahim (2018) used descriptive survey design. The descriptive survey design was used because according to Saunders (2002), this design enabled the researcher to capture all pertinent aspects of a situation while employing a unit study and investigation. The researcher systematically collected data,



presented it; analyzed it before making conclusions and recommendations. Fotis (2017) used postal survey while Omari (2013) used case study design. The fact that different designs were used could have influenced the diversity in findings of the study.

3.2. Target Population and Sample Size

According to Kothari (2011), sampling may be defined as the selection of parts of an aggregate or totality on the basis of which judgment or inference about the aggregate or totality is made. The study target populations' varied. Ibrahim (2018) used a lean sample of 44 respondents due to the sensitive nature of the subject matter under investigation. This lean sample raises questions of validity and reliability of the study findings compared to Fortis (2017) who sampled 150 executives as his respondents from the target population and Omari (2013) who used a sample of 132 respondents in a census study.

3.4. Data Collection Instruments

Data was collected by use of questionnaires. Primary data of both quantitative and qualitative type was collected by the researcher through the questionnaires and interview guides. Validity is the extent to which data instruments are applicable to the targeted population (Ansoff, 2013). The study employed criterion validity to ensure that the measure is what is measured and no other variables. To enhance Validity in this study, the researcher will consult research experts for comments on its appropriateness to the study. Reliability is described as a measure of consistency of a research instrument or data collection tool. A reliable instrument implies that it can be administered on similar populations and return consistent results. This study will employ the Cronbach alpha coefficient which is the most widely used and recommended test of reliability. Using the Cronbach alpha coefficient, reliability ranges from 0 to 1 with higher values indicating greater reliability. This study will use the most common internal consistence measure known as Cronbach's alpha (α) to measure reliability. Reliability indicates the extent to which a set of test items can be treated as measuring a single latent variable (Kothari, 2014). A construct composite reliability co-efficient (Cronbach alpha) of 0.6 or above, for all the constructs, will be considered to be adequate for this study and has been proved adequate in other studies. Cronbach Alpha will be used to test the reliability of the research instrument.



3.5. Methods of Data Analysis

In all the three (3) studies, quantitative data was analyzed using correlation and regression analysis. Correlation was used to test the association between variables. Regression analysis was used to test the functional relationship between the dependent variables and the independent variables. The findings were presented using graphs, charts, and tables in percentages, means, minimums, maximums and standard deviation.

4.0. FINDINGS AND DISCUSSIONS

The findings of 3 studies had several variances and similarities. Ibrahim and Robert (2018) looked at managing strategic change of an organization performance; a case study of Nzoia Sugar Company Kenya. The findings showed that most of the workers who resisted change were subordinates comprising 67.7% while managers who resisted comprised 6.5%. The correlation significance was 0.05. There was positive correlation between improvement in performance and implementation of the strategies of +0.363. There was a negative correlation between resistance to change and involvement in resistance to change of -0.33. The study recommends involvement of all stakeholders in strategy formulation implementation and control. The study tried to identify the causes of Nzoia Sugar Company not being able to attain its daily tonnage target of 7000 tones. Another study by Fotis Kitsios and Maria Kamariotou (2017) on strategic change management in public sector transformation; a case of middle manager leadership in Greece found that employees in the public sector have dealt with several changes but there is a lack of management support, clear vision, training and commitment (Fotis Kitsios and Maria Kamariotou, 2017). The study supports the findings by Ibrahim and Robert (2018) on involvement and commitment even though the study was global in nature unlike the current study which is Kenyan specific. Lastly a study by Omari, S. M., Ateka, R. M., & Nyaboga, B. (2013) on the influence of strategic change management practices on organizational performance: A case of the operations of soft drink industries in Western Kenya found that executive commitment, continuous planning, goals and policies on change effort and maintaining change teams played a big role in strategic change management practices in the industry (Omari, 2013)



5.0. CONCLUSIONS

The study by Ibrahim (2018) concludes that Nzoia Sugar Company has the capacity to increase its production and services. It can improve its production / performance starting from the strategy formulation. This can be done by involving all the members on board. Involving managers and workers in the strategy formulation, implementation and control, this will make them to own these changes. Consequently resistance to change will minimize implementation of down-up leadership style. It can also improve performance by controlling cane poaching through constant monitoring and supervising its canes. When cane poaching is controlled the number of tones targeted will be achieved. The Company should adhere to the Company strategic plan. The set target will be achieved for example milling 7,000 tons per day; this can be done by monitoring and evaluating the strategies timely. Farmers are also key stakeholders to the Company. When they are motivated by paying them promptly, they will not take their canes to other competing firms like west Kenya, Mumias Sugar Company. Diversification of products Nzoia sugar has been over-relying on major two products i.e. sugar and molasses. If it diversifies for example production of bottled water, electricity, this will lead to the spread of risks. Despite the fact that privatization has its limitation but it is one of the best strategies to improve performance this will lead to efficiency and avoid unnecessary cost. It is hard to avoid politics in any organization because it is part of the organization but political interference should be minimized more so about the appointments and tendering. The study by Fotis Kitsios (2017) concludes that the involvement and commitment of top management is an effective strategic change management strategy. This can be adopted by other companies and not necessarily in the soft drink industry. The willingness to change by organizational members must be looked at before introducing any strategic change. It is recommended that in future a study be done to study the impact of the changes made by the soft drink industry on the business both to the direct and indirect competition in the Carbonated Soft Drink industry. Other studies could also study a larger sample than the one of the current study and also look at the impact of smaller industries. Lastly the study by Omari (2013) concludes that organizations in public sector adopt a wide range of innovations in order to react on environmental pressures which obligate them to change (Campbell, 2015). Researchers tend to focus on



the content of change, ignoring the techniques through which organizational change is applied. Moreover, many researches have concluded that due to the special characteristics involving public organizations, the development of change in public sector is crucial and difficult. Thus, current studies have identified the need to determine how implementation processes are influenced by the special characteristics of public organizations (Van der Voet, et al, 2016). The purpose of this paper is to examine in what ways the factors associated with the implementation of change projects in public organizations could be taken into consideration by middle managers in order to develop change projects. Public organizations act in a turbulent environment, which is characterized by a multitude of stakeholders, conflicting goals as well as a high level of external political impacts on decision-making processes. Environmental complexity includes factors which influence the change process (Van der Voet, et al, 2016). Results show that employees in public organizations suffer from the negative effects of the cuts of resources. Also the failure of leaders to make employees part of the organizational and innovative change is significant. Previous researches show that leadership may play a significant role in the implementation of change in public organizations. Communication and participation are the most important ways to increase the support for change among employees (Van der Voet, et al., 2016). The findings show that they haven't trained employees, they haven't had concern about their opinions and they haven't developed an alliance of executives who could support **the is the pre-final version**. The final paper is available at: Kitsios, F. and M. Kamariotou (2017). Furthermore, leaders do not focus on supporting executives and employees in order to feel as a part of the change process and they do not take their suggestions for new ideas into consideration. So, the motivations about change haven't affected them except for the safety in their work. Also, the responders aren't satisfied with their salary, the behavior of their leader and the organizational processes. As a consequence they do not trust their organization. In contrast, previous surveys indicate that team training and team recognition are important as they influence organizational performance and increasing service delivery (Piercy, et al., 2013). As leadership is generally considered as a significant factor in order to increase employees' commitment to change in the public sector, middle managers should support the process (Santhidran, et al, 2013, Van der Voet, et al., 2016; Weiherl and Masal, 2016). Another obstacle is the formalization which reduces the commitment to change. It is necessary to



develop flexible policies and procedures which are positively related to employees' attitudes and increase their commitment to change. In this way employees think that managers take their ideas and opinion into consideration (Rogiest, et al., 2015). Furthermore, results show that executives haven't developed a clear vision for change, they haven't explained the importance of change and they haven't defined the urgency of implementation. A clearly defined vision supports employees to understand both the need for change and the implementation steps. When managers communicate the vision, the mission and the goals of change management process they help employees to realize how these changes will affect them (Malek and Yazdanifard, 2012). The above results indicate their negative emotions (e.g. worry, anger and disappointment) for their organizations. Although in the majority of the responders there isn't emotional commitment with organizations, they are committed to their work due to employment weakness in other organization. Thus, managers should follow the steps of a change management model in order to achieve the goals which meet public sector organizations. This should be done by taking barriers in successful implementation of the process, which are presented through the results of this survey, into consideration. This study also has researched implications. The generalization of the findings to other types of organizational change or across different organizational settings is limited. Greek sample used in the current study might limit the generalizability of these findings. Future studies could use samples from other cultures. Furthermore, as findings show that leaders' support is limited, future studies could focus on the specific actions which leaders could take in order to increase commitment to a change program in the public sector. Also, a times-series of data would be interesting to collect, in order to compare results among organizational, historical and contextual differences

5.1. Recommendations

Ibrahim (2018) recommends involvement of all stakeholders in strategy formulation,, design and implementation. Fotis and Kitsios (2017) and Omari (2013) in separate studies recommend that management should endeavour to support strategic change in the organization, define a clear vision as well as conduct periodic training and be and show utmost commitment to their duties.



5.2. Suggestions for Further Research

The study suggests further research in the following areas

1. Strategic change in governance and service delivery

5.3. Limitation of the Study

Inadequate finances would have negatively affected the research process. However, to minimize on the cost of the study a representative sample of the target population was picked. Time constraint due to the magnitude of the research-the researcher devoted extra hours in order to accomplish this research project.

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