



**THE EFFECTS OF STRATEGIC CHANGE ON ORGANIZATION PERFORMANCE. A CASE STUDY OF CAPITAL MARKETS AUTHORITY, KENYA**

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**ABSTRACT**

Change is inevitable and may hold the key to organizational survival and success. However, success in implementing the required changes is far from assured, with many organizations reporting very disappointing results given the cost and turmoil caused by the changes, thus a need arose to study the effects of Strategic Change on Organization Performance. The general objective is to examine the effects of strategic change on organization performance, a case study of Capital Markets Authority, Kenya. A descriptive survey research design will be undertaken and the target population will be all the staff of CMA, Kenya. Stratified sampling will be used to select a sample size of 30% of the target population. The data is to be collected by use of structured questionnaire which will consist of closed ended questions. The data collected will be edited, coded and classified based on similarities and then tabulated. Data presentation, computation of frequencies in tables, charts and bar graphs will be widely used. The results of the correlation analysis show that there is a positive correlation between the independent variables and the dependent variable. In the regression analysis R squared of 60% is considered significant therefore results show that there is a positive correlation between the independent variables and the dependent variable. The recommendation of the study include having change leadership, adopting a change process, training for every strategic change undertaken and establishing a reward system.

*Key Words: Change, Organization Performance, Leadership, Process, variable*

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## **Introduction**

Organisations around the world have tried to change themselves in the past decade due to the infinite variety of pressures to change including globalisation of markets, spread of IT and computer networks and the changing nature of the workforce (Solocum & Heuriegel, 2008). Change in modern business has been caused by a world characterized by fierce competition and uncertainty and thus it is imperative for companies to change in order to remain competitive (Guidroz, Luce & Denison, 2010). According to Kinieki and Williams (2008), there are two types of change i.e. reactive and proactive change. Reactive change is responding to unanticipated change while proactive change or planned change involves making careful thought-out changes in anticipation of possible or expected problems or opportunities. Organisational change can have many dimensions and unexpected consequences which means that whoever who seeks to initiate major changes needs to grasp the scale of what they are planning in order to carry out a cost benefit analysis (Rees & Porter, 2008).

In today's turbulent, often chaotic, global environment, commercial success depends on their employees using their full talents. Usually strategic change is provoked by some major outside driving forces. For instance, substantial cuts in funding address major new market/clients and need for dramatic increases in productivity/services. Typically, organizations must undertake strategic wide change to evolve to a different level in their life cycle. For example, transition to a new Chief Executive Officer can provoke strategic wide change when his or her new and unique personality pervades the entire organization (Mullins, 2007).

Heap (2006) describes organizational performance as the process of quantifying the efficiency and effectiveness of an organization's actions. Where effectiveness refers to the extent to which organizations satisfy their customers and efficiency relates to how economically the organization utilizes its resources.

Armstrong (2006) asserts that performance management processes have become prominent in recent years as means of providing a more integrated and continuous approach to the management of performance. Kurt Lewis states, "If you want to truly understand something, try to change it." This statement is especially true when making changes within or related to an organization or its culture. "During periods of organizational change, most attention focuses on the organization in terms of structure, processes, tools, measurements, policies, and procedures. However, for the transition to be successful, people need to "buy in" and be committed. Their individual interests, values, and competencies must be effectively aligned with the organization's vision, culture, and capabilities (St-Amour)." Organizational leaders must determine the type of change necessary in order to adapt to the needs of its internal or external environment. Consequently, organizational change can affect people, systems, processes, culture, business units, or the entire organization.

## **Statement of the Problem**

The increasing pace of global, economic and technological development has made change an inevitable feature of an organization's life (Fedor & Herold, 2005). It may be a current problem that gives rise to change or a more proactive intervention by senior management. Change can also be triggered by external dynamics which are changes in the environment. , "change can take many forms and includes changes in policies and policy-making, procedures and practices, financial circumstances, Return on Investment (ROI) targets and, significantly, changes in personnel" (Walker, 2004). All these factors have a bearing on the way in which an organisation functions, its capacity and capabilities, cultural environment and behaviour, and, consequently, organisational asset composition, value and performance.

Closer home, The Capital Markets Authority (CMA-Kenya) is currently facing strategic change, set off by a Government of Kenya policy decision to merge Retirement Benefit Authority (RBA), Insurance Regulatory

Authority (IRA), Sacco Societies Regulatory Authorities (SASRA) and CMA (Executive Office of the President, 2013). Arising from the foregoing, more than most organizations not facing this challenge, CMA would need to appropriately and strategically prepare itself for the on-going strategic change. There would be issues of technological compatibility, structural changes, leadership changes, HR policy changes, and government regulation changes. A less critical management of the Authority's strategic changes could lead to high employee turnover low productivity, low self-esteem, low staff morale, absenteeism, laxity in work and stress hence affecting organisational performance. On the other hand, if handled well CMA's strategic changes could result in better higher productivity, better self-esteem, higher staff morale, low absenteeism and lower stress hence better organisational performance.

It is against this background the study was set out to establish the effects (negative or positive) of the already implemented strategic change (technological, structural, leadership and HR policies) on the organization's performance.

#### **Objectives of the Study**

The key objective of this study was to examine the effects of strategic change on Organization performance. The aim was to find out the effects of technological change on organization performance also to examine the effects of structural change on organization performance. Also to evaluate the effects of Leadership change on organization performance and finally to establish the effect of HR policy change on organization performance.

#### **Research Questions**

- i. What is the effect of technological change on organization performance?
- ii. How does structural change affect organization performance?
- iii. To what extent does Leadership change affect organization performance?

- iv. To what extent do HR policy changes affect organization performance?

#### **Scope of the study**

The study was confined at CMA, Kenya offices located at Embankment Plaza Upper Hill Nairobi. The Authority has a total workforce of 192 employees which formed the population of the study. The study targeted all the cadre of employees in the organization, that is, the top management, middle level management and the support staff. It focused on understanding the effects of strategic change on organization performance.

#### **Literature Review**

##### **The Concept of Strategic Change**

Strategic change is concerned with organizational transformation that deals with broad, long-term and organization-wide issues and it's about moving to a future state, which has been defined generally in terms of strategic vision and scope (Armstrong, 2006). In 2006, Fiss and Zajac pointed out that strategic change is the alteration in an organization's alignment with its external environment. Strategic change covers the purpose and mission of the organization, its corporate philosophy on such matters as growth, quality, and innovation and values concerning people, the customer needs served and the technologies employed. This leads to specifications of competitive positioning and strategic goals for achieving and maintaining competitive advantage and for product-market development (Armstrong, 2006).

##### **a) Lewin Three-Step Change**

Armstrong (2006) refers to Kurt Lewin's three step change theory showing the basic mechanisms for managing change as Unfreezing which involves altering the present stable equilibrium which supports existing behaviours and attitudes. This process must take account of the inherent threats that change presents to people and the need to motivate those affected to attain the natural state of equilibrium by accepting change. Changing involves

developing new responses based on new information. Refreezing involves stabilizing the change by introducing the new responses into the personalities of those concerned. The three steps were unfreezing, changing and refreezing. Lewin also suggested a methodology for analysing change which he called 'field force analyses. This involves: analysing the restraining or driving forces that will affect the transition to the future state; these restraining forces will include the reactions of those who see change as unnecessary or as constituting a threat; assessing which of the driving or restraining forces are critical; taking steps both to increase the critical driving forces and to decrease the critical restraining forces. This theory can be used towards technological change where freeze, change and then refreeze in order to achieve the intended change.

**b) Lippitt's Phases of Change Theory**

This model is in bringing about planned change in organizations developed by Lippitt, Watson and Westley. The model is based on the principle that information must be freely and openly shared between the organizations and the change agent. This must be able to be translated into action. The model extended Lewin's three step theory. They created a seven step theory that focuses more on the role and responsibility of the change agent than on the evolution of the change itself. The first step is to diagnose the problem. The second step is to assess the motivation capacity for change. Third step involves assessing the resources and motivation of change agent which includes the change agents' commitment to change, power and stamina. Fourth step is to choose progressive change objects. In the fifth step the role of the change agents should be selected and clearly understood by all parties so that expectations are clear. The sixth step is maintaining change through communication, feedback and group coordination. The final step is to gradually withdrawing the change agent from their role (Armstrong 2006). Lippitt's theory can be used in the structural changes within the organizations.

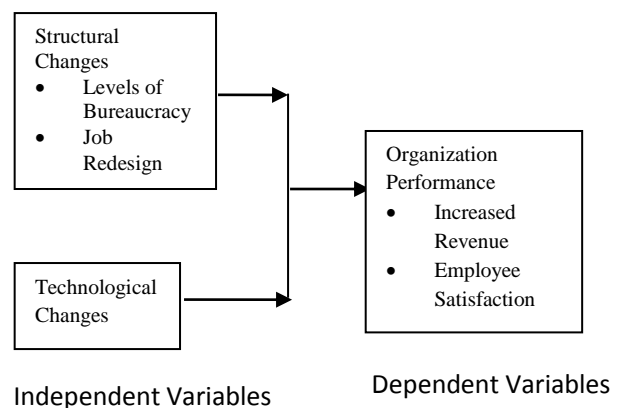
**c) Beck hard**

According to Beck hard, a change programme should incorporate the following Processes : setting goals and defining the future state or organizational conditions desired after the change; diagnosing the present condition in relation to these goals; defining the transition state activities and commitments required to meet the future state; developing strategies and action plans for managing this transition in the light of an analysis of the factors likely to affect the introduction of change (Armstrong 2006). Beck hard theory is used in HR policy as it sets the guidelines or the requirements of the organisations from the employees.

**d) Quinn logical Incrimination**

According to Quinn, the approach to strategic change is characterized as a process of artfully blending 'formal analysis, behavioural techniques and power politics to bring about cohesive step-by-step movement towards ends which were initially conceived, but which are constantly refined and reshaped as new information appears. Their integrating methodology can best be described as "logical incrimination".' Quinn emphasizes that it is necessary to: create awareness and commitment incrementally; broaden political support; manage coalitions and empower champions (Armstrong, 2006). Leadership changes can be adopted using Quinn's theory through defining a vision or a goal.

**Conceptual Framework**



**Figure 1. Conceptual Framework**

### **Organisation Performance**

Performance is often defined simply in output terms – the achievement of quantified objectives but performance means both behaviours and results. Not just the instruments for results, behaviours are also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results (Armstrong, 2006). Performance needs to be measured because evaluation cannot be done unless there is a means of measuring this performance. The standard of performance must be specified in meaningful terms (Armstrong, 2006). Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements (Armstrong, 2006).

According to Heap (2006) performance measures are agreed when setting objectives. It is necessary to define not only what is to be achieved but also how those concerned will know that it has been achieved. Performance measures should provide evidence of whether or not the intended result has been achieved and the extent to which the job holder has produced that result. This will be the basis for generating feedback information for use not only by manager but also by individuals to monitor their own performance (Armstrong, 2006). Organization performance has been measured in many different ways. Many authors have used single items to measure company performance, such as company profitability (return on total assets). Given the wide variety of ways in which information technology may contribute to a company's performance, and the importance of content validity for such a significant measure, we chose a multidimensional scale comprised of company image with customers, market share, revenues, profits, and overall company performance (Guimaraes & Armstrong, 2008).

### **Technological Change**

Technological change emphasizes automation and other capital-intensive production devices. Such technological change transforms the nature of human interaction with work (Krell, 2006). Further, a major factor causing change or being used as a change agent is change in technology (Rees & Porter, 2008). Technological forces especially computer based information systems and internet continues to revolutionise how customers are served, employees communicate and networks with each other and external stakeholders (Solocum & Heuriegel, 2007). Further, the introduction of new technology may result in considerable changes to systems and processes. Different skills are required and new methods of working are developed. (Armstrong, 2006) Technological change transforms the nature of the marketplace by changing the relative cost, features and availability of products (Krell, 2006). The result of technological changes may be an extension of the skills base of the organization and its employees, including multiskilling however it could result in downsizing (Armstrong, 2006).

Technology change may be considered as neutral because it can have both positive and negative effects or a combination of the two and sometimes the technical advantages of the systems may outweigh the social advantages. Sometimes it is possible to take into account social and psychological needs by recognising the social dimensions of technological changes (Rees & Porter, 2008). New technology can present a considerable threat to employees as the world of work has changed in many ways and knowledge workers are employed in largely computerized offices and laboratories, and technicians work in computer integrated manufacturing systems. They may have to be managed differently from the clerks or machine operators they displace. The service industries have become predominant and manufacturing is in decline (Armstrong, 2006).

## **Structural Change**

The structure of an organization can be regarded as a framework for getting things done in an organisation and consists of units, functions, divisions, departments and formally constituted work teams into which activities related to particular processes, projects, products, markets, customers, geographical areas or professional disciplines are grouped together (Armstrong, 2006). David (2006) indicates that structure may be seen as a statement from senior management as to how they wish the firm to work. In essence the structure of the firm should reflect the activities of the firm. As trends towards team working, empowerment, total quality management, etc. gather pace, structure needs to facilitate these initiatives. The structure indicates who is accountable for directing, coordinating and carrying out these activities and defines management hierarchies the 'chain of command' thus spelling out, broadly, who is responsible to whom for what at each level in the organization (Armstrong, 2006).

An organisation structure is seen by many as a powerful tool in mobilizing resources in both an efficient and effective manner. The desire for change is clearly present, but whether positive outcomes will result is another matter. Organization structure is the formal presentation of systems of positions and relationships within the firm. It should be an operational statement of the firm's goals. It specifies formal communication channels, who does what and who is responsible for whom/what (David, 2006). Armstrong (2006) further notes that structures incorporate a network of roles and relationships and are there to help in the process of ensuring that collective effort is explicitly organized to achieve specified ends. Factors affecting structure emanate from internal or external stimuli. The changes may be real or cosmetic, short- or long-term, reactive responses or amplifications of strategic readiness for the future. Internal triggers often include the managing director's desire to improve the structure, rationalization of positions and the need for better or quicker communications. It may be a current

problem that gives rise to change or a more proactive intervention by senior management. External triggers are commonly changes in the environment or changes in technology. Restructuring is perceived by many as an opportunity to change and to bring about improvements (Armstrong, 2006). Rees & Porter (2008) add that the impact of globalisation and technology has led to the development of more flexible organisation structures.

An employee's position in the organizational hierarchy is an important structural variable, which influences a range of organizational attitudes and behaviours for example; differences in the way organizational communication is perceived are often dependent on the superior or subordinate status of employees (Martin, Jones & Callan, 2006). In addition, Rees & Porter (2008) state that changes in structure often have a significance on pay determination where devolution of authority to managers in semiautonomous business units has given greater control to ones wages and work arrangement.

Structures can be classified to the extent to which they are mechanistic or organic. Mechanic structures have clear hierarchy or control, high degree of specialization and reference upwards whereas organic systems have vertical communication and greater room for initiative. Matrix structures involve setting up more or less permanent project like groups to which people are allocated resource centers. Matrix systems are usually in high technology organizations (Rees & Porter, 2008). Thompson *et al.* (2008) reveals that many organizations are winding up the tasks of remodeling their traditional hierarchical structures built around functional specialization and centralized structures to leaner, flatter and more responsive structures to change.

## **Empirical Review**

Strategic change is a very prominent topic at the moment. There is a large amount of literature on strategic change and change related areas such as technological change, structural change, HR policy change,

leadership change, organisation development etc. little empirical research has been done into the effect of strategic change and especially change implementation on organisational performance.

Organizations must anticipate and respond to environmental changes to ensure competitiveness and, ultimately, survival. One of the basic assumptions underlying much of the strategic management literature is that successful firms change their strategies to attain a better fit with the environment (Cheng, Dainty & Moore, 2007). Strategic organizational change can emanate from two different sources: change can either originate from the external environment such as changes in competitors' actions, government regulations, economic conditions and technological advances. Organizations take inputs from the environment e.g. suppliers, transforms some of these inputs, and send them back into the environment as outputs e.g. products. Change can also originate from within an organization. These changes could be new corporate vision and mission, the purchase of new technology, mergers and acquisitions and the decline in the morale of the company (Appelbaum, St-Pierre & Glavas, 2008).

A survey of the literature on business change management reveals several pre-requisites for successfully implementing business change such as conformity to company objectives, employee and department participation in the change process, customer input and reasonably balancing risk taking with cost benefit analysis, monitoring progress, and communication regarding the change process. In other words, how change is implemented is an important determinant of success. Specifically, the important characteristics of the change process enumerated above are expected to influence the company's ability to change its products, processes, and its organizational structure and culture (Guimaraes & Armstrong, 2008).

The ultimate competitive asset of any organization is its people thus organizations should develop employee competencies in a manner aligned with the organization's

business goals. This can be achieved through performance management systems, which act as both behavioural change tool and enabler of improved organizational performance through being instrumental in driving change. This can then be institutionalized through organizational policies, systems and structures (Cheng, Dainty. & Moore, 2007).

### **Critique**

Many authors have used single items to measure company performance, such as company profitability measured organization performance. Others use multidimensional measurement scale comprised of company image with customers, market share, revenues, profits, and overall company performance (Guimaraes & Armstrong, 2008). Change is an ever present feature of organizational life, both at operational and strategic level. There should be no doubt regarding the importance of strategic change to any organization since the need for change is often unpredictable and it tends to be reactive and often triggered by any situation . Change comes in all shapes, forms and sizes and affects all organizations in all industries and it can be triggered by both internal and external factors. David (2006) indicates that structure may be seen as a statement from senior management as to how they wish the firm to work. In essence the structure of the firm should reflect the activities of the firm. Structures can be classified to the extent to which they are mechanistic or organic. Thompson *et al.* (2008) reveals that many organizations are winding up the tasks of remodeling their traditional hierarchical structures built around functional specialization and centralized structures to leaner, flatter and more responsive structures to change.

Leadership is seen by Cole (2002), as where individuals in a particular organization influences or inspires others to be committed towards organizational goal achievement. An unfortunate result is that, in many instances, the new CEO institutes changes too quickly and the consequences can be dire for the organization. Being too quick to act, the CEO can cause major



disruption, second-tier leadership desertion and demoralized employees (Simpkins, 2009).

HR policies therefore serve as reference points when employment practices are being developed, and when decisions are being made about people and help to define the way things are done in the organisation (Armstrong, 2006). However when implementing HR policy organizations face a challenge due to change resistance as people don't like changes because it means they will have to adapt (Gupta, 2008).

### **Research Gaps**

Technological change demands at the same time that a workforce be highly skilled, therefore creating economic insecurity for many and increased need for retraining and continuous development. This therefore can affect organisation performance. The structure indicates who is accountable for directing, coordinating and carrying out organisation activities and defines the chain of command which may lead to new relationships that take time to form thus affect organisation performance. In relation to the latter, change in the leadership can cause major disruption, second-tier leadership desertion and demoralized employees affecting organisation performance. With HR policy, organizations face a challenge due to change resistance as people don't like changes because it means they will have to adapt and therefore affect organisation performance. Managers participate in the planning and execution of strategic change. They deal with the strategic change in various modes thus affecting the strategy, progress and viability of their organizations (Osterman, 2000) if the gap can be filled on how the technological, HR policies, leadership and structural change is dealt with by the management, we shall be able to add to our understanding of strategic change hence bridge the gap.

### **Research Design**

A design is used to structure the research, to show how all the major parts of the project, which included the samples or groups, measures, treatments or programs, and methods of assignment that work

together to try to address the central research questions (Mugenda & Mugenda, 2003). this study used a descriptive survey research design. The descriptive survey method was appropriate because it explored and described the relationship between variables in their natural setting without manipulating them (Ochola, 2006).

### **Target Population**

The study target population was 192 CMA, Kenya employees who were stratified in terms of top management teams, mid-level management and support staff. **Sample Frame**

The study used stratified random sampling method to collect data from the target population. According to Sekaran (2002) stratified random sampling technique was appropriate when figures or elements for study have a wide variance that would affect generalization of results. This involved dividing the target population into sub-groups in order to get equal representation of staff. According to Mugenda and Mugenda (1999) a representative sample should be at least 10% of the population. The study used closed ended questionnaires. According to Mugenda and Mugenda, (1999) closed ended questions are easier to analyze since they are in an immediate useable form while open ended questions permit a greater depth of response. The questionnaire was self-administered by the researcher where respondents were asked to complete the questionnaires and send them either through e-mail or hard copy back to the researcher.

### **Data Collection Procedure**

The study used a questionnaire to collect data. Questionnaires were dropped and picked later at an agreed time. Some were sent electronically through emails. The questionnaire consisted of open and closed ended questions. They were pre-tested before data is collected. The researcher opted to use questionnaire because of its low costs, its free from bias of the interviewer, responds were reached conveniently and last but not least of the many advantages the researcher is able to collect large samples of data making the

data more dependable and reliable. The study carried out a pilot test before the commitment of time, work and money to the actual data collection in the research study. The questionnaire was pilot tested on 10 randomly selected respondents to ensure accuracy. According to Sekaran (2003), a pilot study is performed to develop, adapt, or check the feasibility of techniques, to determine the reliability of measures and to calculate how big the final sample needs to be. He argued that a pilot study can consist of the first 10 or so observations of a larger study.

#### **Data analysis and Presentation**

On receipt of the questionnaires from the field, the data collected was edited, coded and classified based on similarities and then tabulated. Content analysis was employed for data pertaining to the profile of the respondents while data pertaining to the objectives of the study was analyzed by employing descriptive statistics. Descriptive statistics are invaluable in describing the sample data in such a way as to portray the typical respondent and to reveal the general pattern of responses (Burns et al., 2000). The researcher employed regression and correlation analysis methods to test the relationships between the dependent and independent variables. Bar graphs were used to represent the tabulated data for better visualization. Descriptions were given after the bar graphs for easier understanding. The analyzed data was finally compared against the objectives of the study.

### **FINDINGS AND DISCUSSIONS**

#### **Response Rate**

Out of the 59 questionnaires dispensed, 100% of top management's questionnaires were returned dully filled; however 61% by the mid level management and support staff 66% were not dully filled or returned. Since the dully filled rate is more than 50%, the findings were justified to be analyzed for they were likely to present the precise answers to the questions of the study.

### **DATA COLLECTION METHODS**

The researcher used primary and secondary data collection methods by using questionnaires, observations, and focus group discussions.

#### **Questionnaire**

A questionnaire instrument was developed with closed ended questions. After the four items for Demographic Information, it had four Independent Variable dimensions (Technological change; Structural change; Leadership change; and Human resource policy change); and finally the Dependent Variable (Organisational performance). It was self-administered questionnaires used to collect data and were distributed with the help of the direct or through the use of mail.

In order to capture the general information of the respondents, issues such as gender, age and level of education of the respondents were addressed in the first section of the questionnaire. This was to get a better understanding of respondents who took part of the study.

### **FINDINGS AND DISCUSSION**

#### **Age of Respondents**

The study established that out of the 40 respondents 1% were less than 21 years of age, 41% of the respondents are between 21 and 43 years of age. 38% of the respondents are between the ages of 35 and 44 years. 15% are between the ages of 45 and 54 years while those above the age of 55 represent 5% of the respondents.

#### **Number of Years Worked at CMA**

The study also aimed to establish the number of years worked at CMA. The findings were that 8% of the respondents had worked at CMA for less than 1 year while 28% had worked in the Authority for between 1 and 4 years. 44% of the respondents had work for the authority for between 5 and 9 years. Notably 20% of the respondents had worked at the Authority for 10 years and above.

### Job Grade of Respondents

The questionnaire further probed job grade of respondents in order to know salary range of the employees. The findings were that firms which had less than 1% of the respondents are on grade 2 while 3% are on job grade 3. Grade 4 respondents make up 8% of the total respondents. 10% and 16% of the respondents make up job grade 5 and 6 respectively. Notable are job grades 7, 8 and 9 that make up 18%, 25% and 17% of the respondents.

### Level of Education

The findings were that none of the respondents had achieved a PhD while 20% of the respondents had Masters Degrees. 45% and 28% of the respondents had a 1<sup>st</sup> degree and a diploma/Certificate respectively as their highest level of education. 2% of the respondents have other qualifications like CPAs, CPSs and other professional certifications as their highest levels of education.

### Technological Changes

In an effort to establish whether Technological changes affected organisational performance descriptive statistics were carried out with the results as shown below in table 2.

**Table 2 Extent to which Technological Changes development apply to CMA**

	Mean	Std Deviation
Change technological physical equipment	4.4	0.6992059
Change in computer systems in the organisation	4.6	0.51639778
Change in Automated Systems	1.8	0.78881064
Change in Information System	3.5	0.84983659
<b>Composite Score</b>	<b>3.575</b>	

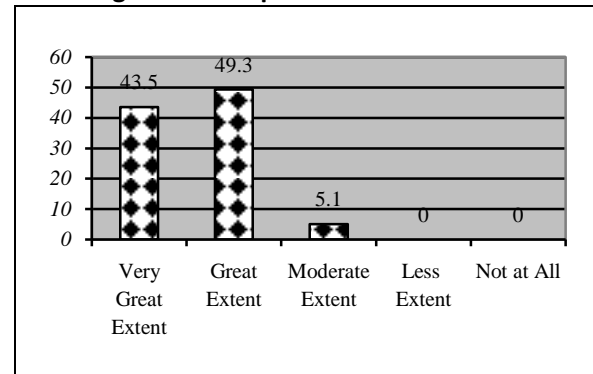
The study results indicate that there were Authority brought in Change technological physical equipment e.g. photocopiers in the authority (mean 4.4), change in computer systems at the Authority (mean 4.6), change in Automated Systems (mean 1.8) and notable is that change in Information

System (mean 3.5). A composite score of 3.6 was achieved.

### Structural Changes

Respondents were also asked on the extent to which Structural changes affect organisational performance.

**Figure 2 Extent to which Structural changes affect organisational performance**



It was observed that a majority, 49.0% of the respondents perceive the influence as of great extent, 43.9 indicated the influence as of very great extent. Only 5.1% of the respondents are of the opinion that common perspective affects operation performance to a moderate extent. Table 4.3 shows extent to which Structural Changes apply to CMA. A composite score of 4.7 was achieved.

**Table 3. Structural Changes development apply to CMA**

	Mean	Std Deviation
Change in Organization Structure	4.7	0.48304589
Change in Reporting Relationship	4.6	0.51639778
Job Redesign	2.9	0.87559504
Job Restructuring	4	0.66666667
<b>Composite Score</b>	<b>4.05</b>	

The results indicate changes in Organization Structure (mean 4.7), reporting relationship (mean 4.6), Job Redesign (mean 2.9) and Job Restructuring (mean 4). A composite score of 4.1 was achieved.

### Correlation Analysis

The study also investigated the correlation between the independent variables individually with the dependent variable. The purpose was to determine whether regression analysis is suitable.

**Table 4 Correlation Analysis**

	X1	X2	X3	X4
X1	1.0			
X2	0.21	1.0		
X3	0.19	0.11	1.0	
X4	0.15	0.13	0.14	1.0
Y	0.86	0.53	0.61	0.72

The variables under the study are:

Y – Dependent variable – Organization Performance.

Independent variables:

X 1 - Technological Change

X 2 – Structural change

X 3 – Leadership Changes

X 4 –HR policy Change

The result of study shows all the four independent variables had strong linear correlation with the dependent variable. The study ran multi regression and correlation analysis for the four independent variables against the dependent variable Y. The results show that there is a positive correlation between the independent variables and the dependent variable where the Technological Change and HR policy Change are the most significant with correlation values of 0.86 and 0.72 respectively.

### Regression Analysis

The ordinary least square regression was used to determine the factors (predictor variables) affecting Organization Performance.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \pi$$

Where Y is the dependent variable, Organization Performance and X1-4 are the independent variables.

$\beta$  = Regression coefficient

$\beta_0$  is the Intercept, the value of Y when X values are zero.

X1 = Technological Change

X2= Structural change

X3= Leadership Changes

X4= HR policy Change

$\pi$ = Error term normally distributed about the mean of zero

The results were as shown in table 5 below:-

**Table 5. Regression Analysis**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std error of Estimate
1	0.774	0.60	0.559	10.023

The result of the study show that the value of R squared is 0.600. This means that independent variables investigated in the study namely technological change, structural change, leadership change and HR policy change account for or explain 60% of the dependent variable, organisation performance. Thus R squared of 60% is considered significant. The study shows that organisation performance is significantly affected by the four independent variables investigated and that all the four independent variables are positively correlated with the dependent variable under the study.

### SUMMARY OF FINDINGS

The findings on the effects of technological change on organization performance. The study found out that majority of the respondents revealed that it affected to a very great extent only a small proportion of the respondents said to a moderate extent. According to the correlation results Technological Change and organization performance had the highest values the other variables in relation to OP. Regression analysis also showed a relationship with the all the variables. This is similar to Rees & Porter (2008) assertion that technology change may be considered as neutral because it can have both positive and negative effects or a combination of the two and sometimes the technical advantages of the systems may outweigh the social advantages.

The findings on the effects of structural change on organization performance were that according to the correlation results obtained from the respondent's data structural change and OP has a positive

value and therefore shows a relationship between the two. Further the regression analysis results also show a profound relationship between the two variables.

### **Conclusions**

The study established that Organisation performance is affected by the two strategic change variables namely; technological change, structure change.

In view of the pressures being expected from the external environment and the critical vision of organizations, top management needs to establish a flexible and adaptive infrastructure that should lead tomorrow's organizations to higher levels of performance. The largest barrier to "change" is not changes to technologies, and work processes but changes involving people. To reach such level of performance, links between the environments, the vision of the organization, its leadership and learning processes are essential. Further it is critical to depict strategic organizational change as an integrative process, and all organizational elements, the soft (human resources) and the hard (systems and technologies), need to be considered for successful change to occur.

### **Recommendations**

Based on the findings and conclusions of the study, the study generally recommends the following:

First, strategic change is a top down leadership exercise. Change starts with the leadership. The leadership should and must establish vision for the organisation and coordination of change leaving implementation to others.

Secondly, organisations should adopt a change process. Strategic change should not be an experiment rather it should have a vision, strategy and an implementation plan to ease the uncertainties of change.

Lastly, establish a reward system. The reward system should be geared to providing the employees with an incentive for the embracing for the strategic change. Motivating individuals to learn new skills can help to reduce the defenses that block learning: instead of being rewarded for moving up in the hierarchy, people are rewarded for increasing their skills while adapting them to change in organizational goals.

### **Suggestions for Further Studies**

Future research should examine the differences among industries, and measure accurately the relative effects of strategic change on job satisfaction. Because these relations are not fully investigated, we suggest additional studies in private firms where strategic change is more rapid and defined.

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