# <section-header>

STRATEGIC CHANGE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE OF THE PORT OF MOMBASA, KENYA

Rose Wanjiku Thuku & Dr. Fridah Simba, PhD



Vol. 10, Iss.2, pp 1028 – 1042. May 16, 2023. www.strategicjournals.com, ©Strategic Journals

# STRATEGIC CHANGE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE OF THE PORT OF MOMBASA, KENYA

<sup>1</sup> Thuku, R. W., & <sup>2</sup> Simba, F.

<sup>1</sup> MBA Student, Jomo Kenyatta University of Agriculture and Technology, Kenya
<sup>2</sup> Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

## Accepted: May 4, 2023

# ABSTRACT

The purpose of the study is to investigate the change management and organizational performance of the port of Mombasa. The target population of the study was top management and middle management staff from the seven management divisions of the port of Mombasa. The study adopted Slovins statistical formula to obtain a sample size of 234 respondents. The study employed stratified random sampling technique since the population is not homogenous. The study utilized primary data which was collected using structured questionnaires. The researcher adopted 'drop and pick later' method to distribute the questionnaires to the respondents. Pilot study was carried out to ascertain the validity and reliability of data collection tools. The collected data was analyzed, summarized and tabulated by use of SPSS software version 25 tool. The data analysis techniques used are descriptive statistics and inferential statistics and they were used to summarize the results for each of the study objectives. The correlation results revealed that organizational learning, communication plan, idealized influence and stakeholder involvement have significant and positive relationship with organizational performance. In addition, regression results showed that all the predictor variables had significant effect on organizational performance. It is concluded that the Mombasa port has knowledge acquisition policy in place which is well formulated and is intended to support change initiatives. The port blends and aligns initiated organizational change with moral principles. Further, the port can disseminate acquired knowledge in real time as it unfolds and training and development programs are regularly conducted to prepare port employees to handle change initiatives. In addition, a wide range of communication channels are used to ensure all stakeholders receive real time information regarding change. The role of informal groups is closely analyzed to ensure change information is relayed timely and reliably. The study recommends that the port hence the management should exhibit high standards of ethical conduct when dealing with employees. This could be complemented by developing transparent vision which is inspiring enough to employees. Also where necessary, the port management should motivate employees through their human characteristics beyond the power centric system to make them embrace change initiatives.

**Key Words**: Change Management, Organizational Learning, Communication Plans, Idealized Influence Stakeholder Involvement

**CITATION:** Thuku, R. W., & Simba, F. (2023). Strategic change management and organizational performance of the port of Mombasa, Kenya. *The Strategic Journal of Business & Change Management*, 10 (2), 1028 – 1042.

## INTRODUCTION

The corporate environment of today is accelerating change on a never-before-seen scale. Particularly given how quickly technology is evolving, firms must regularly monitor the adoption of new processes and procedures (Yukl, 2017). The conventional functions of ports have changed as a result of changes in supra-systems, which have also compelled ports and terminals to make structural alterations. Additionally, ports are under pressure to deliver door-to-door transportation options, adopt differentiation strategies by offering valueadded logistics services, and improve the quality of their basic port services (Buschow & Suhr, 2022). Ports now need to be a part of larger logistics networks and offer value-added services due to changes in the logistics and port environment (Verhoeven, 2016).

According to Harison (2017), change management is a strategy for using change to achieve a successful outcome. It typically entails three main stages: preparation, implementation, and follow-through. The systematic approach and application of knowledge, resources, and instruments to deal with change is known as "change management." It entails developing and implementing company policies, structures, processes, and technology to address changes in the business environment and the outside world. The successful adoption and utilization of change within the organization is driven by change management. It enables workers to comprehend, commit to, and perform well during the shift (Buschow & Suhr, 2022).

The average corporation has undergone five enterprise changes in the last three years, according to global research and consultancy firm Gartner, and 73% of organizations anticipate more change initiatives in the coming years (Gartner, 2018). Numerous firms must continually overcome obstacles that either require radical transformation or minor adjustment (Alqatawenh, 2018). According to academics, the onset of globalization, which was stimulated by digitization and demographic changes, has put pressure on firms to change constantly in order to remain competitive (Doppler, Fuhrmann, Lebbe-Waschke, & Voigt, 2017).

Globally, in Finland, Nokia had a mobile phone market share of 40 percent in 2007. However, 5 years later, the company logged a loss of \$2 billion in operating expenses (Qabool & Jalees, 2020). The corporation started change management when it sold its mobile device division to Microsoft and focused on network and mapping technology in an effort to prevent going extinct. Ryan (2019) wanted to help public sector organizations in Australia implement stronger change management techniques. The researchers discovered that middle level managers' communication, involvement, and commitment are essential for a top-down transformation strategy to succeed in the firm.

The ports of South Africa have lagged behind other African nations like Lagos and Dar es Salaam. Even before the Covid-19 pandemic, cargo quantities were steadily declining. The port of Cape Town scored lower than any other on the continent in a 2021 World Bank report on worldwide container port performance, coming in at 347 out of 351. (Whitehouse, 2022). Due to a large growth in port demand in recent years, Mozambique has seen a major increase in the utilization of its port capacity. The processing times for trucks at Maputo, Beira, and Nacala are competitive with other Southern African ports in terms of performance parameters. Although the crane productivity in these ports is above average, the container dwell time at Mozambican ports is very high (PwC, 2021).

The port of Mombasa is important to Kenya for a number of reasons. First off, because of its strategic location in the East African region, it serves as a commerce gateway for Kenya and the hinterland nations (Njeru, 2018). Currently, more than 80% of the nation's external trade is logistically supported by sea transport (Helu, 2016). Second, through fostering the growth of maritime-related companies, generating employment, and luring

foreign direct investments, the port contributes significantly to economic development. Thirdly, the port establishes the connection between interior transportation and ocean transportation, promoting both domestic and international trade. Thus, the port is a critical enabler for Kenya's Vision 2030 to become a globally competitive and successful nation (Njeru, 2018).

With 50 rubber-tired gantry cranes (RTGs), 13 shipto-shore gantry cranes (STS), and 78 terminal tractors, the port is currently among the bestequipped on the continent. The Authority can currently handle ships with a capacity of up to 6000 Twenty Foot Container Equivalent (TEUS) thanks to a port expansion program in Mombasa. Due to the huge increase in economies of scale, the cost of doing business in the entire region has decreased (Trade Mark East Africa, 2018). With recent infrastructure upgrades, the purchase of new equipment, and enhanced coordination, the Port of Mombasa is ready to accommodate even more trade within the region. As a result, port efficiency and cargo throughput have significantly increased. Nevertheless, despite its strategic location in the area, the port of Mombasa has long struggled with congestion and lengthy ship turnaround times.

The port of Mombasa is aware that the world's ports and marine sector are rapidly changing, ushering in a new era of port operations and administration. The shipping business, which is always evolving due to breakthroughs and new technologies, has been one of the main forces behind development. The sizes of ships have increased, and larger ships may yet be built. The 20,000 TEU ships became a reality, and we soon anticipate even larger ships with a capacity of up to 50,000 TEU.

## **Statement of the Problem**

In the past ten years, the Kenyan government has pursued reforms with the goal of upgrading the port of Mombasa in order to achieve the overall goal of improving the port's performance (Gathogo,

2019). Despite the port modernisation program, it has remained plagued by ship turn-around delays and cargo congestion, impeding effective supply chain management (Njeru, 2018). For instance, the port has one of the highest wait times for ships, with an average turnaround time of 36 hours as opposed to 3 hours in Djibouti, 18 hours in Namibia, and 3 hours in Durban (16 hours). This has had a significant impact on the port's competitiveness, which is now ranked 44th out of 62 ports in developing countries (United Nations Conference for Trade and Development, 2019). Due to its incapacity to innovate its supply chain technology, the port has encountered problems that correspond to departures from its core supply chain capacities (Kenya Ports Authority, 2022). This has contributed to issues the firm is currently experiencing, such as bad transactional climate that impedes а information sharing throughout the organization's supply chain network.

Various studies have been done on change management and performance of firms. In a study on the impact of transformational leadership on change management in the Kenya Ports Authority, Dickson and Kisingu (2019) found a beneficial relationship between idealized influence leadership and change management. However, because change management was the study's focus variable, there are contextual gaps. A study by Maina (2018) on the performance of commercial banks in Nyeri County and their change management methods revealed that these executives instill a feeling of urgency to emphasize the necessity of change. The study only covered banks, which are distinct from ports. In their 2019 study on the relationship between organizational performance and change management techniques, Tayari and Mutinda found a strong correlation between change leadership and organizational performance at Kenyan commercial banks. The evaluated studies, however, have taken a broader view of change management in relation to ports. This calls for a study to look into the situation; this study looked into organizational

performance and change management at the port of Mombasa, Kenya.

## **Research Objectives**

The general objective of this study was to investigate the strategic change management and organizational performance of the port of Mombasa, Kenya. The specific objectives were:

- To investigate the effect of organizational learning on organizational performance of the port of Mombasa, Kenya.
- To establish the effect of communication plan on organizational performance of the port of Mombasa, Kenya.
- To determine the influence of idealized influence on organizational performance of port of Mombasa, Kenya.
- To find out the effect of stakeholder involvement on organizational performance of the port of Mombasa, Kenya

The study was guided by following null hypotheses:

- H<sub>0</sub>1: Organizational learning has no significant effect on organizational performance of the port of Mombasa, Kenya
- H<sub>0</sub>2: Communication plan has no significant effect on organizational performance of the port of Mombasa, Kenya
- H<sub>0</sub>3: Idealized influence has no significant effect on organizational performance of the port of Mombasa, Kenya
- H<sub>0</sub>4: Stakeholder involvement has no significant effect on organizational performance of the port of Mombasa, Kenya

# LITERATURE REVIEW

# **Theoretical Framework**

# **Organizational Learning Theory**

Chris Argryis and Donald Schon propounded the organizational learning theory in 1996. How learning occurs in organizations is a topic of

organizational learning theory. Although it emphasizes collective learning, it also considers Argyris's 1992 claim that organizations do not carry out the actions that result in learning; rather, it is individual members of the organization who behave in ways that do so. Nevertheless, organizations can create environments that support such learning (Burnes, 2016). The idea of organizational learning acknowledges that the context and culture of the organization have an impact on how this occurs (Krishen & Singh, 2017).

The generation and use of knowledge inside an organization are the main foci of organizational learning theory. The interaction between people while they are identifying and resolving problems is a key component of organizational learning theory (Dale, 2017). Three layers of learning that could exist within the company are identified by Argryis and Schon: When a strategy is changed in response to an unexpected outcome, single loop learning, which consists of just one feedback loop, is used. A modification in the theory being used as a result of double loop learning. In order to create an atmosphere that is more productive, the principles, tactics, and presumptions that guide action are modified. Deutero learning, or learning how to make improvements to the educational system itself.

## McKinsey 7s Change Model

McKinsey 7S model was developed by Robert Waterman and Tom Peters during early 1980s by the two consultants McKinsey Consulting organization. The model is an effective tool for evaluating and analyzing changes in an organization's internal condition. It is built on seven fundamental components that are interrelated and coordinated to provide synergistic results and which define the success of the organization. The model combines hard, or discrete, features that are influenced by management with soft, or fuzzier, elements that are influenced by company culture (Kenton, 2021).

This model can be used, according to Waterman and Peters, by taking the following five actions: Identification of the framework components that are out of alignment is the initial stage. It also entails evaluating the discrepancies in the connections between each part. The best organizational design is addressed in the second stage, and this fit will vary depending on the organization. Choosing the course of action or the modifications that need to be made is the third phase. The fourth step is the actual execution of the modification, and the fifth and last step is the 7S framework's final evaluation (Kenton, 2021).

## Theory of Change

In the 1950s, social psychologist Kurt Lewin developed a theory of social change. His theory holds that for change to be successful, the status quo must be unfrozen, the change must be made in a new state, and then the change must be refrozen to make it permanent. Organizations are described as a "bundle of activities" by Kanter et al. (1992), who also assert that there are three levels of analysis specified by organization theory environment (macro evolutionary forces for change), organization (micro evolutionary forces for change), and individual — at which change is said to occur (political forces for change). Instead of the economic and technological reality of the modernist perspective, the changes are more normative in nature and the entire system is a political and socially constructed reality in symbolicinterpretative theory (Hatch, 2017).

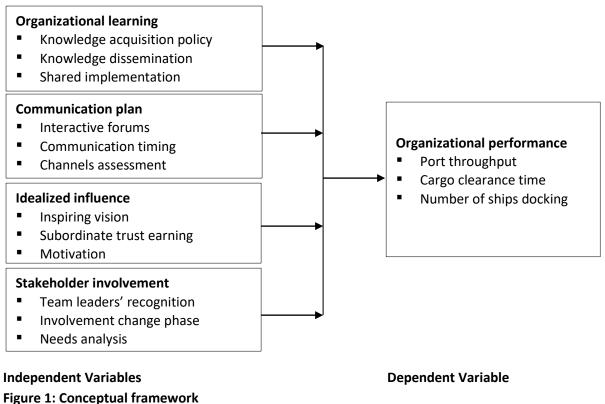
According to the unit and manner of change, Van de Ven and Poole (2015) distinguish four process theories of organizational change and development: life-cycle, evolutionary, dialectical, and teleological (Gebhart, 2014). The teleological model comprises a positive change inside an entity, while the life-cycle model portrays a prescribed change within an entity, according to its meta-theoretical framework. Change occurs in many different entities, but under the dialectical and evolutionary models, the modes of change are prescribed and constructive, respectively. In order to investigate organizational transformation, Van de Ven and Poole (2015) created a typology comprising four methodologies. Two methods—variance and process approaches to organizational change—were examined in relation to ontological and epistemological features of organizational change.

# Performance Theory

Sonnentag and Frese in 2010 postulated the theory that states individual performance is not stable over time. They go on to claim that performance variations over time are a reflection of learning processes, as well as other long-term and shortterm changes in performance. According to the notion, performance is a dynamic process (Avolio, Waldman & McDaniel, 2016). When someone is starting a new job and the tasks are unfamiliar, the transition period occurs. The maintenance phase starts when the necessary information and abilities are acquired and task completion becomes second nature. Cognitive ability is very important for functioning during the transition phase. The relevance of dispositional characteristics (motivation, interests, and values) rises throughout the maintenance stage as cognitive ability declines.

Performance alterations throughout time are not constant between people. Different viewpoints have been used by researchers to study performance. On a broad scale, there are three perspectives that can be distinguished: (1) an individual differences perspective, which looks for individual traits (such as general mental ability, personality) as a source for variation in performance; (2) a situational perspective, which concentrates on situational elements as facilitators and impediments for performance; and (3) a performance regulation perspective, which describes the performance process. These viewpoints don't conflict with one another, but they do take various, complementary approaches to the performance phenomena (Avolio, Waldman & McDaniel, 2016).

## **Conceptual Framework**



## **Empirical Review**

Kahoro (2017) did a study on change management and performance of Kenya Ferry Services. Using questionnaires, a cross-sectional survey study approach was performed. All 62 respondents in the four departments made up the target population. For the purposes of this investigation, a census was used. Questionnaires were the primary approach used for the study's data collecting. A questionnaire that has been tested in advance ensured reliability. The surveys were modified after they had been collected to look for consistency and completeness issues as well as errors and omissions. Using SPSS version 24, the data analysis procedures for quantitative items were carried out. According to the study, if there are too many levels, information flow from one to the next is delayed, hence fewer levels will improve communication.

Ng'ang'a and Alang'o (2016) did a study on stakeholder involvement in change management at Kenya Power and Lighting Company. The research used a descriptive research design. The study's primary tool was interview schedules. The stakeholders were participating in a feeder management program whose methodology comprises assigning particular engineers and their teams responsibility for each of the 638 feeders located around the nation. According to the report, KPLC's stakeholders were involved by providing management with feedback on the change process and by creating the sound procedures required to ensure that the changes are successful.

Maina (2018) researched on change management strategies and performance of commercial banks in Nyeri County, Kenya. The 16 commercial banks in Nyeri County were all included in the survey, which used a census study methodology. Branch managers, credit managers, operations managers, accountants, auditors, marketing managers, customer relations managers, and human resource managers were the specific study targets. 128 respondents were the intended population for the study. Through the use of drop-and-pick questionnaire administration, primary data was gathered. To analyze the data, descriptive and inferential statistics were utilized. The study's

conclusions showed that commercial bank executives instill a sense of urgency to emphasize the necessity of transformation.

Amayo and Mugambi (2016) did a study on the drivers for effective change management in banks. The study focused commercial on commercial bank of Africa in Mombasa. The research design used in the study was descriptive. The goal of the study was to determine how frequently changing customer wants, the pace of technology advancement, and the intensity of competition impact change management. The sample proportion was calculated using a stratified sampling procedure. Using the quantitative data analysis program SPSS, data were examined. According to the study, the bank undergoes changes as a result of legal authority's rules and regulations. The majority of the time, these modifications are unanticipated and ordered, leaving the bank with no alternative but to comply.

Nyaguthii (2016) did an investigation on the factors affecting change management by focusing on Kenya Trade Network Agency. The information was gathered, examined, interpreted, and presented using a descriptive research methodology. Questionnaires were used in the study to collect relevant data from participants. 64 KENTRADE employees were the subject of the study. An approach based on a census was utilized in the nonprobability sampling procedure. Descriptive and inferential statistics were used in the study's data analysis and presentation. The study discovered that training has an impact on how well the change management process works.

Nyandoro (2015) examined the relation between change management practices and performance of commercial banks in Kenya. A descriptive survey design was used in the study. Information was gathered using a standardized questionnaire. Using the data analysis program SPSS version 23, quantitative analysis of the acquired data was performed. The study found that the success of commercial banks was influenced by corporate governance, strategic planning, dedicated leadership, and stakeholder communication.

Tayari and Mutinda (2019) conducted a study on change management practices and the organizational performance. The study concentrated on Kenyan commercial banks. To get a representative sample size of 378, the study used a descriptive research approach and stratified sampling. A semi-structured questionnaire that was pilot tested for validity and reliability was used to collect the data. Measures of central tendencies were used for the study of descriptive statistics, while content analysis was used for the analysis of qualitative data. Multiple regressions were used in inferential statistical analysis using SPSS Version 22. The study's findings showed that the factors, particularly innovation, cultural change, leadership change, and organizational structure change, have a considerable positive impact on the organizational performance of Kenya's commercial banks.

## METHODOLOGY

A cross-sectional survey research design was used for the investigation. The target population was 561 top and middle management employees working in Mombasa Port. The researcher adopted Slovins statistical formula to select an appropriate sample size from a finite population. The sample size was 234 employees. The stratified sampling strategy and simple random sampling technique was used in this investigation. In order to accurately measure the study variables, the study collected primary data using a standardized questionnaire that contains closed-ended questions with a Likert scale of five points. The administration of the questionnaires was done using the "drop-and-pick later" method. The researcher conducted a pilot test to evaluate the validity and reliability of the primary data gathering methods before full-scale preparation of the final study (Creswell, 2015). The statistical package for social sciences (SPSS version 25) tool was used to analyze the data that have been Descriptive analysis gathered. and multiple regression analysis was produced by the researcher.

## **Hypotheses Testing**

Multiple regression analysis was applied to test whether or not the null hypotheses stipulated in this study are true.

## **Table 1: Hypotheses Testing**

Hypothesis Test	Decision
H0: β1 = 0	Reject $H_01$ IF P-value $\leq$ 0.05
HA: β1 ≠ 0	otherwise fail to reject $H_01$ if P-
-To conduct F-test to assess overall model significance	value is > 0.05
H0: β2 = 0	Reject $H_02$ IF P-value $\leq$ 0.05
HA: β2 ≠ 0	otherwise fail to reject $H_02$ if P-
-To conduct F-test to assess overall model significance	value is > 0.05
H0: β3 = 0	Reject H₀3 IF P-value ≤ 0.05
HA: β3 ≠ 0	otherwise fail to reject H <sub>0</sub> 3 if P-
-To conduct F-test to assess	value is > 0.05
overall model significance	
H0: β4 = 0	Reject H₀4 IF P-value ≤ 0.05
HA: β4 ≠ 0	otherwise fail to reject $H_04$ if P-
-To conduct F-test to assess overall model significance	value is > 0.05
	H0: $\beta 1 = 0$ HA: $\beta 1 \neq 0$ -To conduct F-test to assess overall model significance H0: $\beta 2 = 0$ HA: $\beta 2 \neq 0$ -To conduct F-test to assess overall model significance H0: $\beta 3 = 0$ HA: $\beta 3 \neq 0$ -To conduct F-test to assess overall model significance H0: $\beta 4 = 0$ HA: $\beta 4 \neq 0$ -To conduct F-test to assess

FINDINGS AND DISCUSSIONS	Participants were asked to indicate which aspects of
Descriptive Results	organizational learning they adopted in the Port.
	Table 2 shows the results.
Organizational Learning	

# Table 2: Organizational Learning

	Mean	Std. deviation
The organization has a well formulated knowledge acquisition policy to support change initiatives	3.87	1.009
The institution has a mechanism to disseminate acquired knowledge in real time	4.09	1.156
The organization regularly conducts training and development programs to equip the work force to handle change initiatives	4.85	.403
The port promotes shared implementation of the acquired knowledge	4.50	.511

The results in Table 2 have shown that respondents agreed that the organization has a well formulated knowledge acquisition policy to support change initiatives and that the institution has a mechanism to disseminate acquired knowledge in real time as indicated by a mean of 3.87 and mean of 4.09 respectively. Respondents also agreed that the organization regularly conducts training and development programs to equip the work force to handle change initiatives (mean=4.85) and that the port promotes shared implementation of the

acquired knowledge (mean=4.50). The findings agree with a study by Nyaguthii (2016) which discovered that organizational learning has an impact on how well the change management process works.

# **Communication Plan**

As part of the survey, respondents were further asked to indicate whether certain aspects of communication plan have been implemented by the Port. Table 3 presents the results.

## **Table 3: Communication Plan**

**Table 4: Idealized Influence** 

	Mean	Std. Deviation
The organisation ensures that appropriate communication is applied to communicate the needed change	4.96	.336
The organisation exploits both formal and informal communications methods to ensure efficient conveyance of change information	4.34	.901
The organisation exploits a wide range of communication channels to ensure the information reaches stakeholders within reasonable timelines to act	4.74	.339
The organization pays close attention to the role of informal groups in ensuring fast and reliable conveyance of change information	4.16	.678

The results in table 3 have shown that respondents agreed that the organisation ensures that communication appropriate is applied to communicate the needed change and that the organisation exploits both formal and informal communications methods to ensure efficient conveyance of change information as indicated by a mean of 4.96 and mean of 4.34 respectively. Respondents agreed that the organisation exploits a wide range of communication channels to ensure the information reaches stakeholders within reasonable timelines to (mean=4.74). act Respondents were in agreement to the statement

that the organization pays close attention to the role of informal groups in ensuring fast and reliable conveyance of change information (mean=4.16). The findings agree with Kahoro (2017) whose study revealed that if there are too many levels, information flow from one to the next is delayed, hence fewer levels will improve communication.

# **Idealized Influence**

As part of the survey, respondents were further asked to indicate whether certain aspects of idealized influence have been implemented by the Port. Table 4 presents the results.

	Mean	Std. Deviation
The changes made are blended and aligned with employees moral principles	3.76	1.090
The port leadership ensures subordinate trust earning through high standards of ethical conduct	3.89	.881
Employees are motivated to accept change by appealing to their human characteristics above the power oriented system	3.97	.670
The leadership works to develop transparent vision which is inspiring to employees thus minimize resistance to change	4.18	.834

The results in table 4 have shown that respondents agreed that the changes made are blended and aligned with employee's moral principles and that the port leadership ensures subordinate trust earning through high standards of ethical conduct as indicated by a mean of 3.76 and mean of 3.89 respectively. Respondents also agreed that employees are motivated to accept change by appealing to their human characteristics above the power oriented system (mean=3.97) and that the leadership works to develop transparent vision which is inspiring to employees thus minimize resistance to change (mean=4.18). The results are supported by Tayari and Mutinda (2019) whose study on the change management practices revealed that idealized influence and leadership have a considerable positive impact on the organizational performance.

## Stakeholder Involvement

The respondents were required to indicate the extent to which they their organization had adopted selected aspects of stakeholder involvement. Findings are presented in Table 5.

## **Table 5: Stakeholder Involvement**

	Mean	Std. Deviation
The organisation recognizes, involves and supports team leaders in change introduction and implementation	4.28	.749
Participation of stakeholders in change management happens at all stages of change introduction and implementation	3.83	.298
The needs of the affected stakeholders are analysed and addressed	4.01	.749
The organization locates the informal group leaders within the organization and enlists them in change management drive	4.11	.590

The results in Table 5 have revealed that respondents agreed that the organization recognizes, involves and supports team leaders in change introduction and implementation and that stakeholders participation of in change management happens at all stages of change introduction and implementation as indicated by a mean of 4.28 and mean of 3.83 respectively. Respondents also agreed that the needs of the affected stakeholders are analysed and addressed (mean=4.01) and that the organization locates the informal group leaders within the organization and enlists them in change management drive

## **Table 6: Correlation Analysis**

(mean=4.11). The study results corroborate findings by Ng'ang'a and Alang'o (2016) whose study established that stakeholder's participation in change management ensures change process is successful.

# **Correlation Analysis**

Correlation analysis is adopted to determine whether there is any relationship between strategic change management and organizational performance of port. Findings are presented in Table 6.

n=206		Organization	Communicati	Idealized	Stakeholder	Performance
		al learning	on plan	influence	involvement	
Organization	Pearson	1				
al learning	Correlation					
	Sig. (2-					
	tailed)					
Communicati	Pearson	.552 <sup>*</sup>	1			
on plan	Correlation					
	Sig. (2-	.002				
	tailed)					
Idealized	Pearson	.289 <sup>*</sup>	.610*	1		
influence	Correlation					
	Sig. (2-	.000	.006			
	tailed)					
Stakeholder	Pearson	.180 <sup>*</sup>	.300**	.415**	1	
involvement	Correlation					
	Sig. (2-	.000	.000	.000		
	tailed)					
Performance	Pearson	.613*	.532**	.440**	.387**	1
	Correlation					
	Sig. (2-	.000	.000	.000	.000	
	tailed)					

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

\*. Correlation is significant at the 0.05 level (2-tailed).

Bivariate correlation results in Table 6 showed that organizational learning was found to have a positive significant correlation with organizational performance by (r = .613, p-value < 0.05). This implies that organizational learning contributes to increase in port performance. In addition, communication plan was found to have a significantly moderate positive correlation with port performance by (r = .532, p-value < 0.05). This implies that communication plan contributes to improvement in port performance.

Consequently, idealized influence was found to have a significantly positive relationship with organizational performance by (r = .440, p-value < 0.05). This implies that idealized leads to improved port performance. Last but not least, stakeholder involvement was found to have a significant positive correlation with port performance by (r = .387, p-value < 0.05). This implies that involvement of stakeholders could lead to improved performance at the port.

# **Regression Analysis**

The primary objective of the following regression analysis is to determine the relationship between explanatory variables and the response variable. The model provides the parameters of the equation that minimize the squared residuals. Data was regressed to determine the extent of the effect between strategic change management and organizational performance as shown in the following tables.

## **Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.693ª	.481	.329	.40822

a. Predictors: (Constant), Organizational learning, Idealized influence, Communication plan, Stakeholder involvement

The regression results in Table 7, showed a moderate regression between strategic change management and organizational performance. In

the model summary, the R<sup>2</sup> is 0.481 indicating that predictors explain 48.1% change in organizational performance.

## **Table 8: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.702	4	0.926	48.736	.002 <sup>b</sup>
	Residual Total	4.000	202	0.019		
	10101	7.702	206			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Organizational learning, Idealized influence, Communication plan, Stakeholder involvement

An F-test was used to test the statistical significance of the regression equation. The regression model was statistically significant (F=48.736, p<.05) in explaining the relationship between strategic change management and organizational performance.

Model	Unstandardized Coefficients		Standardized Coefficients	Т	Sig.
	В	Std. Error	Beta		
(Constant)	.289	.984		.294	.000
Organizational learning	.150	.174	.143	.863	.000
Communication plan	.280	.186	.303	1.506	.014
Idealized influence	.184	.141	.223	1.301	.025
Stakeholder involvement	.254	.242	.219	1.047	.002

**Table 9: Regression Coefficients** 

a. Dependent Variable: Organizational performance

From Table 9, the model would appear as follows:

# $Y = 0.289 + 0.150X_1 + 0.280X_2 + 0.184X_3 + 0.254X_4$

The regression model indicates that organizational performance would increase by 0.289, given that all the other factors are held constant at zero. Further in the regression model it shows that a unit increase in organizational learning would lead to an increase in organizational performance by 0.150. A unit increase in communication plan would lead to a positive increase in organizational performance of Mombasa port by 0.280, and a unit increase in organizational performance by 0.184. Further, regression results showed that a unit increase in stakeholder involvement would lead to an increase in organizational performance by 0.254.

The predictors had significance levels of 0.05 and below implying that organizational learning, communication plan, idealized influence and stakeholder involvement has significant effect in explaining the variation in organizational performance.

## **Discussion of Key Findings and Hypotheses Testing**

The regression coefficients served as the foundation for achieving the study objectives. This was achieved by considering the p-values that are associated with the relevant regression coefficients and t-values. The first objective of the study was to establish the effect of organizational learning on organizational performance of the Mombasa Port. Organizational learning was found to have a positive and significant effect on organizational performance of ( $\beta$ = .150, p < 0.05). This implies that an increase in organizational learning by one unit would led to an improvement in organizational performance by .150 units when stakeholder involvement, communication plan and idealized influence are held constant. The findings agree with a study by Nyaguthii (2016) which discovered that organizational learning has an impact on how well the change management process works. Findings led to rejection of the null hypothesis that there is no significant effect of organizational learning on organizational performance of the Port of Mombasa.

The second objective sought to investigate the effect of communication plan on organizational performance of the Port of Mombasa. Communication plan was found to have a positive significant effect and on organizational performance of ( $\beta$ = .280, p < 0.05). This implies that an increase in communication plan by one unit increases organizational performance of Port by .280 units when organizational learning, idealized influence and stakeholder participation are kept constant. The findings agree with Kahoro (2017) whose study revealed that if there are too many levels, information flow from one to the next is delayed, hence fewer levels will improve communication. Findings led to rejection of the null hypothesis that communication plan has no significant effect on organizational performance at the Port of Mombasa.

Third objective intended to be achieved by the study was to determine how idealized influence affects organizational performance at the Port of Regression results revealed that Mombasa. idealized influence had a positive and significant effect on organizational performance of ( $\beta$ = .184, p < 0.05). This implies that an increase in idealized influence by one unit increases organizational performance by .184 units when organizational learning, communication plan and stakeholder involvement are kept constant. The results are supported by Tayari and Mutinda (2019) whose study on the change management practices revealed that idealized influence and leadership have a considerable positive impact on the organizational performance. Findings led to rejection of the null hypothesis that there is no significant effect of idealized influence on Port performance.

Fourth objective was to establish the effect of stakeholder involvement on organizational performance of Mombasa Port. Stakeholder involvement had a positive and significant effect on performance of ( $\beta$ = 0.254, p >0.05). This implies that an increase in stakeholder involvement by one unit leads to an improvement in organizational performance by 0.254 units when organizational learning, communication plan and idealized influence are held constant. The study results corroborate findings by Ng'ang'a and Alang'o (2016) whose study established that stakeholder's participation in change management ensures change process is successful. Findings led to rejection of the null hypothesis that there is no significant effect of stakeholder participation on organizational performance of the Port of Mombasa.

# CONCLUSIONS AND RECOMMENDATIONS

The study concluded that organizational learning affects organizational performance. Also it is concluded that the Mombasa port has knowledge acquisition policy in place which is well formulated and is intended to support change initiatives. Further, the port can disseminate acquired knowledge in real time as it unfolds and training and development programs are regularly conducted to prepare port employees to handle change initiatives.

The study concluded that communication plan has a significant effect on organizational at the Port of Mombasa. The port ensures that appropriate communication is applied to spread information about the desired change. Also both formal and informal communications methods are exploited in the port to ensure efficient conveyance of information regarding change initiatives. In addition, a wide range of communication channels are used to ensure all stakeholders receive real time information regarding change. The role of informal groups is closely analyzed to ensure change information is relayed timely and reliably.

The study concludes that idealized influence has an effect on organizational performance. The port blends and aligns initiated organizational change with moral principles. And the management of port cultivates subordinate trust by exhibiting higher ethical conduct standards. Leadership of the port continuously endeavors to develop transparent vision inspiring enough to employees. This seeks to reduce friction with employees in regard to change initiatives. Consequently, port employees are motivated to accept change by appealing to their human characteristics above the power oriented system.

The study concluded that stakeholder involvement affects organizational performance of the Port of Mombasa. The port management conducts need assessment of all affected stakeholders and analyzes them before addressing them appropriately. In addition to main stream stakeholders, the informal group leaders are located and enlisted within the organization and enlists them in change management drive. of Participation stakeholders in change management happens at all stages of change introduction and implementation.

The study recommended that the management of the port should focus more on organizational learning as it was found to have high effect on organizational performance. In addition, the port leadership should ensure knowledge acquisition policy is well formulated and is geared towards supporting organizational change. The port should invest in systems which would ensure real time dissemination of knowledge acquired and further the port employees should be often trained and developed so as to make change initiatives smooth.

The study recommended that the communication plans for the port should be dynamic and robust. This would ensure application of appropriate communication channels to broadcast change initiatives information. The port should employ all communication channels including both formal and informal channels so as to ensure information reach to all employees. In regard to stakeholders reach out, every possible communication media should be employed and to make this process effective, the management should analyze information needs for various stakeholders.

The study recommended that the idealized influence is pertinent to smooth change execution in the port hence the management should exhibit high standards of ethical conduct when dealing with employees. This could be complemented by developing transparent vision which is inspiring enough to employees. Also where necessary, the port management should motivate employees through their human characteristics beyond the power centric system to make them embrace change initiatives.

The study recommended that the stakeholders should be mapped out and involved right from the beginning of change initiatives at the port. This should be undertaken through needs assessment of all affected stakeholders which should be understood before change is rolled out. Stakeholders should be involved in all stages of change process. Also the silent and often unseen informal stakeholders should be located and mopped in to change initiative to minimize silent revolt in the organization.

#### **Suggestions for Further Studies**

The current study was limited on strategic change management in the context of port performance. However, the adopted strategic change management drivers explained 48.1% change in organizational performance of Port. Thus the researcher recommends further study to look at other change management indicators and how they would affect organizational performance of not only Port but other sectors like manufacturing and hospitality. This would go a long way in enhancing the existing body of knowledge on strategic change management and performance.

## REFERENCES

- Alqatawenh, A. S. (2018). Transformational leadership style and its relationship with change management. *Verslas: teorija ir praktika, 19*(1), 17-24.
- Amayo, S. A., & Mugambi, F. (2016). Drivers for effective change management in commercial banks: A case study of Commercial Bank of Africa Mombasa Branches. *Elixir Management*, 99 (2016) 42961-42974.
- Argyris, C. & Schon, D. A. (2016), Organizational Learning: A theory of action perspective, Addison Wesley, Reading, MA
- Avolio, B., & Bass, B. (2016). *Developing potential across a full range of leadership Cases on transactional and transformational leadership.* New York, Lawerence Erlbaum Associates.
- Burnes, B. (2016). Introduction: Why does change fail, and what can we do about it? *Journal of Change Management*, 11(4), 445-450.

- Buschow, C., & Suhr, M. (2022). Change management and new organizational forms of content creation. In *Media and change management* (pp. 381-397). Springer, Cham.
- Dale, K., & Fox, M. (2018). Leadership Style and Organizational Commitment: Mediating Effect of Role Stress. *Journal of Managerial Issues, 20*(1), 109-130.
- Dickson, G. M., & Kising'u, T. M. (2019). Effect of transformational leadership on change management in Kenya Ports Authority. *The strategic journal of business and change management, 6*(2), 1150-1172.
- Doppler, K., Fuhrmann, H., Lebbe-Waschke, B., & Voigt, B. (2017). *Unternehmenswandel gegen widerstände: Change management mit den menschen.* Frankfurt, Germany: Campus Verlag.
- Kahoro, C. (2017), *Change management and performance of Kenya Ferry Services*. Unpublished Thesis, Kenyatta University, Kenya.
- Krishen, V. R., & Singh, X. (2017). Transactional leadership and outcomes: Role of relationship duration. *Leadership and Organizational Development*, *26*(6), 442-457.
- Maina, J. M. (2018). *Change management strategies and performance of commercial banks in Nyeri County, Kenya*. Unpublished MBA Thesis, Kenyatta University.
- Nyaguthii, G. A. (2016), Factors affecting change management: A case of Kenya Trade Network Agency. Unpublished Thesis, United States International University-Africa, Kenya.
- PwC, (2021), Africa gearing up: Mozambique. Price Water Coopers publication. Retrieved from <u>https://www.pwc.com/gx/en/transportation-logistics/publications/africa-infrastructure-</u> <u>investment/assets/mozambique.pdf</u>
- Qabool, S., & Jalees, T. (2018). Transformational leadership and employee attributes. *Journal of Management Business and Economics*, 12(2), 21-43.
- Tayari, A., & Mutinda, B. (2019). Change management practices and organizational performance. A survey of commercial banks in Kenya. *International Academic Journal of Human Resource and Business Administration*, *3*(7), 346-362.
- Whitehouse, D. (2022), Investors say South Africa's ports need private investment to break inefficiency logjam. Logistics in Africa. Retrieved from https://www.theafricareport.com/171011/south-africasports-need-private-investment-to-break-inefficiency-logjam/
- Yukl, G. (2017). Leadership in organizations (7th ed.). Upper Saddle River, NJ: Prentice Hall.