



**INFLUENCE OF ORGANIZATIONAL CULTURE ON STRATEGIC CHANGE MANAGEMENT IN MAKUENI COUNTY GOVERNMENT, KENYA**

**Mulwa, S. M., Kilonzo, T. M., & Ochieng, V. O.**

**INFLUENCE OF ORGANIZATIONAL CULTURE ON STRATEGIC CHANGE MANAGEMENT IN MAKUENI COUNTY GOVERNMENT, KENYA**

**Mulwa, S. M.,<sup>1\*</sup> Kilonzo, T. M.,<sup>2</sup> & Ochieng, V. O.<sup>3</sup>**

<sup>1</sup>Master Candidate, Faculty of Business and Communication Studies, St. Paul's University [SPU], Kenya

<sup>2,3</sup>Ph.D, Lecturer, Faculty of Business and Communication Studies, St. Paul's University [SPU], Kenya

**Accepted: August 20, 2020**

**ABSTRACT**

*Strategic change management as a set of flexible actions and choices that give rise to design and execution of plans that achieves overall organizational objectives is absolutely necessary in the wake of fluidly global political, economic and technological environment. It is the fulcrum that enables organizations to respond with agility, adaptability and to align to the events acting with and surrounding modern business and political entities. A lot of studies have been undertaken in the area of change management in a bid to elucidate on the practice of strategic change management commercial business set ups. However, there is dearth of literature that underpins the influence of organizational culture on implementation of strategic change management in the recent county governance system in Kenya, more specifically in the Makueni county government. This study therefore embarked on studying the aforementioned factor using the theoretical foundation of Kotter's change management model. A theoretical model was developed and tested based on the hypothesized relationship between organizational culture and strategic change management. Using descriptive survey design and target population of 4100 employees of the county government of Makueni as the county human resource database, 2018, the study obtained data from a sample of 351 employees using simple random sampling methods. The study used questionnaires to collect primary data. Pilot test was done using 10% of the questionnaires before corrections were appropriately done and the questionnaires administered to the respondents using drop and pick method. The study data was analyzed using both descriptive and inferential statistics and with the help of SPSS version 20. The study found that organizational culture determined strategic change management implementation at the county government of Makueni with organizational leadership and organizational culture having greater influence at  $R^2$  being 0.850 and 0.862 respectively. The study concluded that implementation of strategic change management was explained by organizational culture. The study model was significant with all  $p$  values being less than 0.05. The study therefore recommended that county governance systems must consider re-designing, configuring and orienting their key physical resources and human resources practices and activities as a way of adding strategic change management into their corporate strategy and operations.*

**Key words:** Strategic Change Management, Organizational Change, Involvement, Consistency, Adaptability

**CITATION:** Mulwa, S. M., Kilonzo, T. M., & Ochieng, V. O. (2020). Influence of organizational culture on strategic change management in Makueni County Government, Kenya. *The Strategic Journal of Business & Change Management*, 7(3), 782 – 788.

## INTRODUCTION

The inauguration of the constitution of Kenya, 2010 has seen gargantuan changes and transformation not only in the governance structure and system but also in the life of the Kenya citizens (ROK, 2015). This has fundamentally transitioned institutions that were largely nationalised into devolved units offering services and goods much closer to the people (Mwakamba & Theuri, 2016). It means that administrative units, economic and social services has since been devolved closer to the people. This transition brought in both fortunes and challenges in equal measure (UNDP, 2015), with challenges stemming unknown and uncharted environs of the new norm. Even though the new system was premised on efficiency, responsiveness, accountability and democracy, little in these areas have been achieved (Ngigi & Busolo, 2019). Instead the intra-governmental changes has been very slow, scattered and poorly planned (Ngigi, *et al.*, 2019), weak leadership and insufficient utilization of strategic change management principles. This has resulted in cost inefficiencies, loses of funds, defunct projects and corruption (Ndalila, 2016). This mismatch between the expectation of the devolved system and the observed trends has been pinned on strategic change management (Kitsios & Kamariotou, 2017).

Strategic change management as a set of flexible actions and choices that give rise to design and execution of plans that achieves overall organizational objectives is absolutely necessary in the wake of fluidly global political, economic and technological environment (Goll, Johnson & Rasheed, 2006). It is the fulcrum that enables organizations to respond with agility, adaptability and to align to the events acting with and surrounding modern business and political entities. A lot of studies has been undertaken in the area of change management in a bid to elucidate on the practice of strategic change management commercial business set ups. However, there is dearth of literature that underpins the influence of organizational culture on implementation of strategic change management in the recent county

governance system in Kenya, more specifically in the Makueni county government. The study examines the influence of organizational culture in terms of involvement, consistency, adaptability as well as mission and vision on strategic change management using the lens of Kotter's change management model.

### **Kotter's Change Management Model**

This eight step model originated in 1995 with Kotter's seminal work, "the reasons for failure of transformational efforts". The model comprises eight steps for spearheading change and it places leadership as the pivot on which transformational efforts rest (Kotter, 1995). Like Lewin's model for managing change, Kotter banded the eight steps into three groups; spawning/generating, synthesizing/consolidating and anchoring. The initial four steps making up spawning/generating comprises of creation of acuity of urgency, creating cross functional teams to support change, visioning and communication of vision (Kavanagh & Thite, 2009). The subsequent three step of team empowerment, planning to gain immediate scores and gathering greater advancement makes up consolidation. The last step of institutionalization of gains to help ground change is the anchoring.

The continued sophistication and challenges in modern business environment, many institutions have initiated transformational agenda with great funfare and prospects of engendering new methods of operations and survival (Burke, 2002; Moran & Brightman, 2001). The economic, social and political investment in launching and buttressing these agenda are usually immense (Kavanagh *et al.*, 2009). However, the survival rate of these efforts is minimal as many end in total disappointment (Aldemir, 2010). In 1991, Schaffer and Thompson surveyed 220 electronic companies that has initiated TQM program. Only 14% of the firms succeeded. Kotter (1995) attributed the success of the few to a meticulous management of the TQM program using a step by step process consisting of practices of spawning the change agenda,

synthesizing and consolidation activities and finally institutionalizing the programs.

This model is relevant to all the four variables of this study namely organization leadership; organization capability, organization strategy and organization culture. Kotters eight stages can be applied in the Makueni County Government as follows; The Makueni Leadership can let the employees have acuity of the immediacy of change implementation through means like capacity building, motivation and visioning. Makueni County government Leadership should go ahead and build the team with the right capabilities.

## LITERATURE REVIEW

### Organizational culture and Strategic change management

Schein, (2010) study states that organization culture are the practices and behaviors of the employees in a given organization which has been in use for long and defines the organizational orientation. It also shows how the staff thinks, acts, reacts and responds to the various needs of the organization. There are five basic features of organizational culture: a mutual comprehension of the firm's crucial norms that control dynamic and action at all levels in the association; the concentration and nature of senior officials; how representatives think about their associations with the executives, each other, accomplice associations, and customers; and how the firm directs its everyday business. (Desson & Clouthier 2010).

In a study on Iranian Bank workers showed an institutional culture to be in perfect semblance to

the competitive value framework model (Ahmadi, Salamzadeh, Daraei, & Akbari, 2012).

Authoritative culture can shape organization's limit with regards to and openness to change like the capacity define the rate and effectiveness of execution of tasks and additionally based on the abilities and skills of the individual leaders (Ayiecha & Senaji, 2014).

Dortenzio (2012) in a study on Australian companies noted that there are factors which tend to influence the organizational planned change process. This study noted that institutional structure, institutional leadership, firm environment, and institutional culture contributed to a greater extent towards a change management procedure. Firms characterised by red tape and weak administration, unfavorable organization environments as well as ineffective ethos and value realised greater let-down when executing change management. In contrast firms with horizontal and efficient systems, transformative leaders, good operational environment often manage transformative agenda more efficiently with greater success rate. Based on these observations, the study proposed the following hypothesis;

*H<sub>01</sub>: Organization culture has no positive significant influence on strategic change management in Makueni County Government.*

## METHODOLOGY

The study used descriptive survey design with a sample size of 351 employees of Machakos County Government drawn from managerial levels as shown in table 1.

**Table 1: Sample Size**

Category of Employees	Target Population	Sample size
Senior Level Management	25	2
Middle Level Management	75	6
Lower Level Management	800	69
Other Employees	3200	274
TOTAL	4100	351

**Source: Makueni County Government (2019)**

Structured questionnaires with five point likert scale having items based on strongly agree, agree,

neutral, disagree and strongly disagree were administered to the respondents. The researcher

made telephone follow ups to maximise response rate. Study variables were measured using the Likert Scales which is an interval scale. Likert Scales have the advantage that they do not expect a simple yes / no answer from the respondent, but rather allow for degrees of opinion, and even no opinion at all (McLeod, 2008). The scale items adopted was at least five categories as appropriate to each data set.

The “intervalness” here is an attribute of the data, not of the labels. Several tools are utilized in interpreting and analyzing data (Fritz, 2013). The collected data was analyzed in accordance with study objectives and data type. Raw data collected from the questionnaires was first cleaned, sorted, coded and subjected to the SPSS software.

## RESULTS AND DISCUSSION

In the study, 351 questionnaires were dispatched to the various participant groups. Of

the 351 questionnaires, 255 questionnaires were returned. This represented a response rate of 72.6%. 96 questionnaires were not returned in spite of several telephone and physical follow-up, with many non-responsive participants citing lack of time to respond to the study instrument. Further screening of the returned questionnaires revealed that they were all accurately and properly filled and thus were suitable for statistical analysis.

The high rate of response, 72.6% was achieved through institution of a combination of factors such as designing brief, clear and precise questionnaires as well as providing assurance of confidentiality and sufficient study time. Mugenda (2008) and Babbie (2010) provides that a response rate of above 50% is acceptable as good for statistical analysis. Therefore in this study, response rate of 72.6% was adequate for statistical analysis. Table 2 shows the response rate of the unit of observation.

**Table 2: Response Rate**

Questionnaires	Sample Size	Percentage
Returned	255	72.6
Non-returned	96	27.4
<b>Total</b>	<b>351</b>	<b>100</b>

### Descriptive Analysis of Construct Organizational Culture

The study sought to determine the effects of organizational culture on strategic change in Makueni County government. In order to execute this, it required the participants to state opinions on the items related to organizational culture and how it stimulates strategic change management. The results revealed that, on whether the county government involves its employees and the public in decision making, 70.6% disagreed while only 29.4% agreed. A large percentage, 68.7% of respondents again disagreed that there is consistency in good service and product delivery in Makueni county government with another 31.3% agreeing. The respondents also disagreed by 68.3% that residents of Makueni County have become adapted to new approaches of doing things. In

addition 70.6% of the respondents disagree that employees of makueni county government religiously follow the county government vision and mission. The findings were given in table 3.

The findings reflects the assertions by Schein, (2010) that organization culture as the practices defines the organizational orientation. It also shows how the staff thinks, acts, reacts and respondents to the various needs of the organization. There are five basic features of organizational culture: a mutual comprehension of the association's crucial; that control dynamic and action at all levels in the association; the concentration and the board style of senior officials; how representatives think about their associations with the executives, each other, accomplice associations, and customers; and how an association directs its everyday business. (Desson & Clouthier 2010).

**Table 3: Organizational Culture and Strategic Change Management**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
The County government involves all employees and the public in decision making	12.2%	58.4%	5.5%	21.2%	2.7%	2.44	1.040
There is consistency in good service and product delivery by Makueni county government	31.8%	36.9%	2.7%	5.9%	17.3%	2.33	1.305
Residents in makueni county have become adapted to the new approach of doing things	31%	37.3%	5.9%	16.9%	9.0%	2.36	1.317
All employees in makueni county government religiously follow the county government vision and mission statement	11.8%	58.8%	8.6%	16.5%	4.3%	2.43	1.036

**Statistical Modelling**

Statistical modelling was done using regression analysis in order to determine the appropriateness of the predicted regression model in chapter three. It was carried out using the regression analysis using SPSS, version because its simplicity and amenability even in circumstances where there is no internet accessibility that characterizes the location of the study. This section represented Pearson's correlation, results of regression analysis, analysis of variance, coefficient of regression and hypothesis testing.

**Pearson's Correlation for Organizational Culture**

Table 4 showed the Pearson's correlation analysis results for organizational culture and other variables involved in the study. It depicted positive significant correlation between organizational culture and strategic change management. The *p*-value was less than zero and *r* being 0.928, all other factors held constant. Its recommended that with large sample size of more than 100, an *r* value of 0.6 can be highly statistically significant (Uwe, 2017). This implies that there was a significant relationship (92.8%) between organizational culture and strategic change management which is above the recommended 30% (Mugenda *et al.*, 2012; Uwe, 2017).

**Regression Analysis for Organizational Culture**

The study conducted regression analysis for organizational culture with strategic change management and model summary table 4 clearly indicating a relationship between organizational culture and strategic change management. The  $R^2 = 0.862$  meaning that organizational culture exemplified by employee involvement, consistency in product delivery, new approaches of doing things and obedient to county government vision and mission accounted for 86.2% implementation of strategic change management at the county government of Makueni. This was a clear manifestation that employers need to inculcate employee involvement, consistency in product delivery among other operands of organizational culture (Schein, 2010). The findings of this study are in consonance with Dortenzio (2012) in a study on Australian companies noted that there are factors which tend to influence the organizational planned change process. This study noted that organizational structure, organizational leadership, organizational environment, and organizational culture contributed to a greater extent towards a change management process.

**Analysis of Variance for Organizational Culture**

Table 4 gave ANOVA summary for organizational culture and strategic change management at the county government of Makueni. The F-Statistics value= 1574.749 and *p* value  $0.000 < 0.05$  meaning

that the model of strategic change management with organizational culture was significant. This indicates that institutional culture significantly related to strategic change management at the county government of makueni.

#### Coefficient for Regression between Organizational Culture and Strategic Change Management

Table 4 for beta coefficient the t-values are 3.507 and 39.683 with p-values being 0.000 which is less than 0.05 thus it was determined that the model was significance. The model was depicted as  $Y = 0.215 + 0.922X_4 + \epsilon$

Showing a per unit change in institutional culture lead to 0.922 or 92.2% increase of strategic change management initiatives. This implied that institutional culture influences strategic change management at the county government of makueni.

#### Hypothesis Testing for the Construct Organizational Culture

The goal of the study was to assess the effect of institutional culture on strategic change management on the county government of Makueni. Based on this objective and literature review, the given null hypothesis was formulated for testing.

$H_{01}$ : *organizational culture has no significant influence on strategic change management in the county government of Makueni.*

The hypothesis was tested by regressing organizational culture on strategic change management. Given the level of significance of the ANOVA (0.000 that is  $p < 0.05$ ) and  $t = 39.683$ , the study therefore reject the null hypothesis.

**Table 4: Organizational Culture and Strategic Change Management**

Model Summary						
Model	R	R Square	Adjusted R Square	Standardised error of estimate		
1	.928 <sup>a</sup>	.862	.861	.41613		
ANOVA						
Model		Sum of Squares	Df	Mean Squares	F	Sig.
1	Regression	272.686	1	272.686	1574.749	.000 <sup>b</sup>
	Residual	43.810	253	.173		
	Total	316.496	254			
Coefficient						
Model		Unstandardized Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.215	.061		3.507	.001
	Mean Culture	0.922	.023	.928	39.683	.000

a. Predictors: (Constant), Mean OCulture

b. Dependent variable: Mean SCM

#### SUMMARY AND CONCLUSION

The objective of the study was to determine the influence of organizational culture on strategic change management at the county government of Makueni. The  $R^2$  value indicated an explanatory power of the independent variable of 0.862. This meant that 86.2% of the variation in strategic change management was explained by

organizational culture. The findings showed a significant and positive linear relationship between organizational culture and strategic change management, indicating that employee involvement, consistency in service and product delivery, adoption of new functional approaches and inculcation of clear vision and mission are imperative to strategic change management

adoption. Regression model summary indicated that implementation strategic change management was explained by organizational culture. The model of the study was also found significant since p values in all cases were less than 0.05. The overall

multiple regressions also showed that all the organizational culture explained significantly the implementation of strategic change management in the county government of Makueni.

## REFERENCES

- Ahmadi, S. A., Salamzadeh, Y., Daraei, M., & Akbari, J. (2012). Relationship
- Aldemir, J. O. (2010). Role of Human Resource Management in Devolution of Australian small- and medium-size enterprises. *Australian Journal of Management*, 38(1), 171-190.
- Ayiecha, F. O., & Senaji, T. A. (2014). Moderating effect of organizational culture on
- Babbie, E. (2010). *The practice of social research* (12th ed.). Network: Thompson Learning.
- Belias, D., & Koustelios, A. (2014). The Impact of Leadership and Change between Organizational Culture and Strategy Implementation: Typologies and Dimensions. *Global Business and Management Research: An International Journal*, 4(3 & 4), 286-299.
- Boran, K. and K. Brightman (2001), Verifying the Miles and Snow strategy types in *case study*. Unpublished PhD Thesis, Canberra, Australia: University of Canberra.
- Counties in Kenya. *Scientific Conference Proceedings*, 588-598.
- D'Ortenzio, C. (2012). *Understanding change and change management process: A*
- Desson, K., & Clouthier, J. (2010). Organizational culture - When does it matter?
- Fritz, E. (2013). Challenges facing the implementation of change strategies at
- Goll, R., Johnson, N.B., & Rasheed, A.A. (2006). Knowledge capability, strategic change and firm performance: The moderating role of the environment. *Management Decision*, 45(2), 161-179
- Jossey- Bass. Kenya Commercial Bank Group Ltd. *Unpublished M.B.A Project*, University of Nairobi Management Strategy on Organizational Culture. *European Scientific Journal*, 10(7), 451-470.
- Mugenda, A.G. (2008). *Social Science Research Theory and Principles*. Nairobi: Applied Research and Training Services.
- Mugenda, O.M. & Mugenda, A. G. (2012). *Research Methods Dictionary*. Nairobi: Applied Research & training Services Press.
- RoK (2015). *Kenya Vision 2030. A globally competitive and prosperous Kenya*. Nairobi Kenya: GoK press.
- Schein, E. H. (2010). *Organizational Culture and Leadership* (4th ed.). London, UK: *Symposium on International Safeguards, International Atomic Energy Agency*, 1-9. Vienna, Austria.
- The implementation of turnaround strategy. *IOSR Journal of Business and Management (IOSR-JBM)*, 16(4), 88-93.
- Uwe, F. (2017). *Designing Qualitative Research*; London: Sage publications.