

EFFECT OF STRATEGIC CHANGE ON ORGANIZATIONAL PERFORMANCE

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Abstract

The study sought to establish the effect of strategic change on the performance of Kenya Wildlife Service (KWS) and the corresponding hypothesis was formulated and tested. The study targeted 144 employees located at the head office in Nairobi, Kenya and 79 of them responded. The study adopted a descriptive research design and applied convenience sampling technique. SPSS Version 21 was used to analyze data using simple regression analysis. Research findings from the test of hypothesis established that strategic change significantly affects performance at Kenya Wildlife Service. The study findings support Lewin's change management theory, which helps to identify the outcomes of strategic change and also control the negative outcomes in the early stages of strategic change implementation so as not to negatively influence organizational performance. The study makes a contribution to the existing body of knowledge by establishing a positive and significant effect of strategic change on organizational performance. The study recommends further research in other State Owned Corporations in Kenya and elsewhere.

Keywords: Strategic Change, Organizational Performance, Lewin's Change Management Theory, Resource Based View, Kenya Wildlife Service

INTRODUCTION

A review of previous studies indicates a relationship between strategic change and organizational performance (Ndope, 2010, Gekonge, 1999) though there is no consensus on what type of strategic change affects organizational performance more than the other. Since performance is a function of strategic change, for organizations to optimize their performance, they should manage both technical and administrative changes (Li, Guohui. & Eppler, 2008). The Resource Based View and Lewin's Change theory underpin the study by explaining how strategic change needs to be managed to positively influence organizational performance (Grant, 1991, Lewin, 1947). Previous studies on strategic change and organizational performance have been conceptualized differently and have addressed different contexts thus the need for the extant study.

Strategic Change

Kotter (2008) views organizational change as the alteration of activities in an organization. Strategic change involves making changes to the overall goals, purpose, strategy or mission of an organization, and is a key disruption to the normal way that the organization is used to conducting its business (Carpenter, Bauer, & Erdogan, 2010). Activities alteration is as a result of structural changes in the organization, new product introduction, task transfer, or even change in attitude of process or groups or events within or outside the institution. There are various forms that strategic change occurs such as introduction of new products, new procedures and new technology. Given the public scrutiny under which the state-owned corporations in Kenya have come in the wake of frequent and huge corruption scandals, this research will take a view of organizational change that is continuous - based on work processes and social practices (Weick & Quinn, 1999).

Most of the strategic change implemented in the state-owned corporations purpose to improve the efficiency in public service delivery, service quality improvement, reducing resource usage, revenue collection improvement and streamlining the bureaucratic processes among other things (Carter & Quick, 2003). The aim of such strategic change is to overhaul the administrative systems of the government, so as to be proficient in providing services to both the citizens and government (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece & Winter, 2009).

The technical and administrative change typology insists on technological as well as social structural change and represents a general and comprehensive classification (Helfat, et al., 2009). As such, this typology appears to be particularly relevant for state owned corporations such as the Kenya Wildlife Service which operate under public scrutiny, within an

environment that generates a lot of pressure for organizations to take up newer technologies as well as advanced management systems that will ensure efficient and effective management of public resources.

Organizational Performance

According to Fiedler (2015), organizations exist with a purpose of seeking performance and growth. Locke and Latham (2002) define organizational performance as sum of the economic results of activities that an organization undertakes. According to Walker and Ruekert (2007), the major dimensions of performance of an organization could be categorized into three groups such as adaptability, efficiency and effectiveness but there is no much agreement as to which is the best measure. Therefore, any comparison of organizational performance using only the listed dimension is a trade-off that is, satisfactory performance of one of the dimensions often implies sacrificing performance on the other (Dawson, 2003).

Performance for any business is a measure of how effective an entity is achieving its objectives (Cascio, 2006). Organizations set strategic objectives after a careful internal and external environmental analysis as they seek to match those internal capabilities with external opportunities against which performance will be measured. Business performance indicates the actual output or results measured against the intended outputs with organizations seeking performance that advances sustainable competitive advantage (Porter, 2008). This performance remains dependent on strategic actions rendered within the anticipated environment and any shift of the environment may result in obtaining performance other than that which was anticipated.

Kenya Wildlife Service

The Kenya Wildlife Service (KWS) is a State corporation established by an Act of Parliament, Wildlife (Conservation and Management, CAP. 376) with the mandate to conserve and manage wildlife in Kenya, and to enforce related laws and regulations. KWS plays multiple roles in various sectors of the economy including environment, security, water, electricity, health, fisheries, tourism, culture, transport and international conventions. The tourism industry, which relies on wildlife, is the backbone of the economic pillar in the Vision 2030 development blueprint, with 15% of Kenya's Gross Domestic Product (GDP) coming from wildlife (Ngugi, 2011).

In the execution of its mandate, KWS faces various challenges, including among others, increased poaching activities, increased human wildlife conflicts due to encroachment on their habitat, diseases, climate change, invasive alien species in protected areas and adverse

impacts of climate change (KWS, 2014). All these factors weigh a lot on its scarce resources. To fully harness such a critical resource for the country, KWS continues to implement wide ranging changes through various strategic management tools and to achieve better performance from its conservation and tourism efforts. This study explores strategic change within Kenya Wildlife Service (KWS) and their effect on performance.

Strategic Change and Organizational Performance

In various meetings with CEOs of Fortune 500 organizations, Alexander (1985), it was established that strategic change can advance organizational performance. According to Korsgaard, Schweiger and Sapienza (1995), organizational performance can be enhanced through strategic change. A study carried out by Fiedler (2006) established the part firm assets play in their capacity to change and the effect this change has on the firm's performance.

Different local studies concentrate on the administration of key change in organizations. For example, Mbogo (2003) carried out a study on key change administration practices on Kenya Commercial Bank Limited and found that banks characterized their goals, surveyed both outer and inside circumstances to implement strategic changes, execute the techniques, assess the progress, and make modification to remain on track. Gekonge (1999) conducted a research on the strategic change administration practices of firms listed on the Nairobi Securities Exchange (NSE) and found a positive effect of strategic change on firm performance. Notwithstanding, an audit of every one of these reviews demonstrates that there are insufficient exact reviews on the effect of strategic change on authoritative execution inside non-commercial state owned organizations in Kenya such as the Kenya Wildlife Service. This study therefore attempts to fill the current research gap by establishing the relationship between strategic change and organizational performance. Thus, the hypothesis, **H₁**: strategic change has a significant effect on the performance of Kenya Wildlife Service.

METHODOLOGY

The study adopted a descriptive research design and employed convenience sampling. Convenience non-probability sampling techniques were used to identify employees of KWS from the Headquarters, Nairobi. The researcher intended to have a sample size of 144 respondents. Primary data was collected using a self - designed questionnaire. A pre-test was done, and based on the pre-test results, the instrument was amended accordingly. The study used descriptive and inferential statistics to analyze data from the questionnaires. Data was analyzed using SPSS version 21 and the results of the analysis were presented using tables.

ANALYSIS AND FINDINGS

Simple linear regression analysis was used to establish the effect of the independent variable on the dependent variable. The value of R-squared shows the amount of variation in the dependent variable caused by the independent variable. The unstandardized coefficient shows the amount of change in the dependent variable attributable to the amount of change in the predictor variable. The F-statistics measure the goodness of fit of the model. The statistical significance of the hypothesized relationship was interpreted based on R^2 , F, t, β and p values. The regression model used was: $Y = \beta_0 + \beta_1 X_1 + \epsilon$, where Y= Organizational performance; β_0 = Intercept; β_1 =Coefficients; X_1 =Strategic change and ϵ =Error term.

Study Response Rate

The target population from which the sample was selected were employees from KWS headquarters in Nairobi, Kenya. H 79 out of 144 intended sample was adequate/appropriate to be used for the purpose of investigating the study objectives representing a response rate of 54.8%. Given a response rate of 54.8%, the researcher considered it to be representative enough to allow for the generalization of the findings.

Gender of the Respondents

The survey sought to investigate the gender of respondents at KWS. It established that 42 out of 79 respondents (53.2%) were female while 37 (46.8%) were male. It is evident that most of the employees at KWS were female. However, given that the investigations were not gender based, there were insignificant effect of gender on the research outcomes.

Age of the Respondents

The survey sought to establish the age of respondents at KWS. Table 1 presents the survey results.

Table 1: Age of KWS Employees

Age	Frequency	Percentage
18-29 Years	31	39.24
30-39 Years	27	34.18
40-49 Years	13	16.5
50-59 Years	8	10.1
60 Above	0	0.0
Total	79	100

From Table 1, the study indicated that 31 out of 79 respondents (39.24%) were aged between 30-39 years followed by 27 respondents (34.18%) aged between 18-29 years. The respondents aged between 40-49 years had a representation of 13 (16.5%) while the respondents aged between 50-59 years were 8 (10.1%) while there was no representation of respondents aged 60 years and above. From the study, it is evident that most of the employees were aged between 30-39 years, an indication that they have stayed longer in the organization and have relevant knowledge about strategic change in the organization.

Years Employees Worked at KWS

In investigating the years each employee worked at KWS, the study presents the following results in Table 2.

Table 2: Years Worked at KWS

Years Worked	Frequency	Percentage
Below 1 Year	12	15.2
1-3 Years	5	6.3
3-5 Years	9	11.4
Above 5 Years	53	67.1
Total	79	100

As indicated in Table 2, the highest number of employees had worked for above 5 years; this was 53 out of 79 (67.1%) employees, 12 employees (15.2%) had worked for less than 1 year while the number of employees who had worked for 3-5 years was 9 (11.4%). The employees who had worked for 1-3 years at KWS were 5 (14.71%). As stated by Kraatz and Zajac (2001), most strategic changes of an organization are done within 1-5 years and having a majority of the employees working for more than 5 years was an advantage for the study given that they had experienced strategic change at KWS.

Level of Management

The study sought to establish the level of management in the organization at KWS (Table 3).

Table 3: Level of Management in KWS

Years Worked	Frequency	Percentage
Non-Management	24	30.4
Lower Management	29	36.7
Middle management	22	27.8
Top Management	4	5.1
Total	79	100

As shown in Table 3, the lower management level had the highest representation of 29 out of 79 respondents (36.7%) followed by non-management employees who were 24 (30.4%). The Middle management level was represented by 22 out of 79 respondents (27.8%) with the lowest representation being that of top management employees who were 4 (5.1%).

As argued by Dawson (2003) that strategic change is initiated at the management level, having majority of the respondents being at the management level was beneficial for the study as it helped gather relevant information about the type of strategic change that takes place at KWS.

Level of Education

The survey sought to find out the highest level of education of employees at KWS. Table 4 presents the survey results.

Table 4: Level of Education of KWS Employees

Level of Education	Frequency	Percentage
Certificate	10	12.7
Diploma	22	27.8
Undergraduate	37	46.8
Masters Degree	10	12.7
PhD	0	0
Total	79	100

Table 4 indicates that a majority of the respondents had undergraduate degree, a representation of 37 out of 79 respondents (46.8%) followed by respondents with diploma who were 22 (27.8%). The number of respondents with certificate equaled that of respondents with master's degree with 10 (12.7%) respondents each, while there were no respondents with PhD. However, given that the majority of the respondents had diploma or higher level of education, they had relevant knowledge about strategic change and how it affects performance of an organization which was important in promoting study objectivity and validity of the survey results.

Strategic Change at Kenya Wildlife Service

The study sought to establish what type of strategic change the employees were involved in implementing. Table 5 presents the survey results.

Table 5: Strategic Change at KWS

Change Initiative	Yes		No	
	Frequency	Percent	Frequency	Percent
Technical Change	39	49	00	0.00
Administrative Change	40	51	00	0.00

From Table 5, it was found that 40 out of 79 respondents (51%) were involved in implementing administrative strategic change at KWS while 39 respondents (49%) were involved in implementing technical strategic change. The number of those involved in implementing administrative change almost equals that of technical change, an indication that both technical and administrative changes were implemented in the organization and given equal attention. The survey findings support the study findings by Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece, and Winter (2009) and Locke and Latham (2002) who noted that both technical and strategic change should be given equal attention as they are both important in improving the performance of an organization. Thus, giving equal attention to the two types of change indicates organizational commitment to implementing strategic change for improved performance.

Test of the Hypothesis

The study sought to determine the effect of strategic change on the performance of Kenya Wild life Service. A corresponding hypothesis was formulated and tested using simple linear regression analysis. The results of the regression analysis are shown in Table 6.

Table 6: Effect of Strategic Change on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428 ^a	.183	.162	1.389

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	32.910	2	16.455	8.530	.000 ^b
Residual	146.609	76	1.929		
Total	179.519	78			

Regression Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.505	.679		8.104	.000
Technical Change	-1.126	.548	-.225	-2.056	.043
Administrative Change	-1.252	.460	-.298	-2.718	.008

Predictor Variable: Strategic Change Dependent Variable: Organizational Performance

DISCUSSION

The regression results from Table 6 showed that $r=0.428$, implying a moderate correlation between strategic change and organizational performance. The R square is 0.183, implying that 18.3% of the variation in the dependent variable is explained by the independent variable and 81.7% is explained by other factors which are not part of this study.

From the ANOVA results, it is indicated that the model was statistically significant ($F=8.530$, $p<0.05$ at 0.000) in predicting the relationship between the independent variable and the dependent variable. The unstandardized coefficients showed that a one unit increase in the use of strategic change leads to a decrease in organizational performance at KWS ($B= -1.126$, -1.252 , $t= -2.056$, -2.718 , $P<0.05$)

The study finding agree with the findings of a study by Ndope (2010) who established that implementation of administrative strategic change affects organizational performance more than the implementation of administrative technical change. However, Fielder(2015) disagreed with Ndope (2010) by stating that that the ability to engage in rapid and relentless technical and administrative change equally is a critical survival capability for firms in highly uncertain environments relying upon high organizational flexibility in adapting to the external environment by ensuring that each variable of change has specific level of impact on performance improvement.

CONCLUSION

The study aimed to establish the effect of strategic change on the performance Kenya Wildlife Service. The study was conducted through a descriptive research design. The study adopted both descriptive and inferential statistics to analyze the data. The study tested and confirmed the hypothesis that strategic change has a significant effect on the performance of Kenya Wildlife Service. This implies that state corporations that manage strategic change expect positive and significant effect on their performance. The study recommends further research in other State owned corporations not only in Kenya but also in other countries.

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