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The Role of Selected Management Practices in Facilitating Strategic Change in Telkom Kenya Headquarters

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Original Research Article

Abstract

Strategic change management is gaining ground in organization today, especially organizations driven by technological adoption like Telkom Kenya. The general objective of the study was to the role of selected management practices in facilitating strategic change in Telkom Kenya.This study was undertaken to find out; the function of utilizing incentives as a management practice to facilitate strategic change in the business. Further, the study analyzed the way in which top management decision making eases strategic change in Telkom; ascertain the part of handling change immunity, role played by transition management. The analysis will employ a case study research design. The target population included the management of Telkom Kenya Limited. The target population of the study was 270 top and middle managers at Telkom Kenya. The study used sampling formula recommended by Nassium (2000) to arrive at 32 management the sample size. The research then randomly picked any 2 top management and 30 middle managers. Data was collected using structured questionnaire designed using Likert Scale. Data was analyzed using descriptive statistics, Pearson Correlation and Regression Analysis. The results from the study will be beneficial to the management of Telkom Kenya in re-formulating policies in the management of strategic change. Scholars might find it significant as it might boost the body of knowledge within this region. It is estimated that the understanding gained from the analysis could serve as a foundation for preparation and also a point of reference to additional research on the subject of the strategic shift. The study established that two practices, that is managing transition and employees empowerment contributed significantly in facilitate strategic change in Telkom Kenya.
Keywords: Management Practice, Strategic Change, Decision making, Resistance To Change, Employee Empowerment, Managing Transition

Introduction

Strategic change management practices are tools, processes or techniques that are used by firms to align employees to the business set objectives and achieve the required business outcomes as well as ensuring the business work efficiently. Strategic change management practices are also defined as techniques, instruments, and mechanisms that help the firm manage the technical and human elements of an intervention and that they are also adopted with the aimed at improving the organizational performance through helping it meet its strategic goals [1]. Strategic change management practices are mostly designed by firms to set the firm's course of action, recognize the strategies which the firm should use to contend in the market and also to help the firm organize its internal activities [2].

Nyariki [3] suggested that majority of SMEs have adopted strategic management practices such as strategic product pricing, technology adoption, cost control, market strategy, product reputation, customer service, product quality and product and service innovation to attain competitive advantages. Williamson and Williams [4] suggested that because of competition, companies have opted to adopt strategic management practices such as product differentiation, diversification of products and markets, adoption of product focus strategy.

Organizations are faced with challenges on how to introduce change, manage the change momentum and deliver the necessary change to increase organization performance. Ulrich [5] observe that the main difference in change management is managing change momentum. According to Mckinsey Survey on Change Management [6] change management help organization in cost management, performance improvement, directional change and management of competitions.

Facilitating strategic change in both public and private organizations will be a challenging task without management practices today [7]. According to Schultz *et al.* [4] it is the role of top management in providing strategic direction for their organizations. Strategic direction is a formal process of utilizing strategic thinking to move organizations forward [8]. Private enterprises and public organization provide policies that make them become competitive [9]. Leadership styles, technology in use, employee skills, strategies, structural factors, and employees are internal factors that influence change implementation in a firm [10]. Strategic change brings transformation in organizations and makes them achieve their goals. Organizations must invest in people in order to achieve the desired change [10].

Strategic change is looking forward towards the organization's realization of its goals In order to achieve the outcome of strategic change; organizations must look at the external environmental factors that may hinder the change. Internal factors on the other hand must be taken into consideration [12]. Many organizations global are involved in some change to improve their performances. The strategic change process In order for firms to achieve the change they desire they must change organizational culture and process. Strategic change may involve radical changes the organization entire plan, structure, systems, procedures, and culture [12]. The success of strategic change in organizations has been low due to lack of visioning of such change.

Several studies have been carried out in Kenya on change management including Mwiriki [13] who found that the large supermarkets in Nairobi County have implemented strategic change programs. The supermarkets have adopted various strategies in managing of change with majority of them using effective communication as the major strategy. The use of change agents as a strategy in change management has not been used in majority of the supermarkets. Sang, Komen & Korir [15] established that leadership change impacts positively on firm performance. It is therefore important for firms to have leadership change since it helps the firms to achieve their objectives effectively by linking job performance to valued rewards. Firms should therefore keep those managers that bring new changes to the firm. Also, hotel leaders need to be willing and able to recognize change experiences and the value derived. Firm performance is enhanced when there is flexibility in terms of employee adaptation of change. Firms should therefore allow new innovative ideas among its employees and ensure that they are regularly trained. Obudo [6] carried out an empirical study on factors influencing change in Public Sector in Kenya and observes that effective communication, strong leadership and team work and stakeholder's involvement significantly affects change management.

Telkom Kenya Limited is a registered as a telecommunications service provider providing integrated services including; data, fixed network services, cellular and online services and voice running in a well-established telecommunication infrastructure. In 2008, France Telecom acquired 51% shares in Telkom Kenya Limited under its brand name Orange. The company has 5 million eight hundred and forty-seven employees (18,847) now, after restructuring before this year. Our knowledge is anchored through a legacy of 18 decades. We provide services to companies that offer world-class solutions for the current business customer. Telkom has a broad network spanning across the country, and it has undergone renewed growth in the development of its product portfolio.

The company has implemented a variety of modifications to improve its services as a means of facing the existing competition. These have necessitated change including organization restructuring, rebranding, and shift in ownership structure and company size in order to face competition, technological changes and regulatory requirements. The company has shifted its business structure, its strategic focus, its worker size and makeup and its management orientation. The changes are caused by competitors, market liberalization, technological advancements and changing customer requirements. The challenges in implementing modifications at Telkom Kenya include an absence of a clear-cut strategy in handling the retrenchment, limited resources to fund the downsizing, resistance to change by workers as well as the dynamism of their telecommunication market. Others incorporate cutthroat contest, politics as well as technological advancement [15].

According to [5], Telkom has a market share of 12% with Safaricom having Lion's share of 75%. As a result, the company has been implementing a variety of modifications to boost efficiency and stay competitive in the telecommunication industry. The significance of managing strategic change would be to harness people, technology and process to attain a competitive advantage. Although Telkom has been undergoing a change for the last two decades, it hasn't managed to be a market leader; hence there is a need for research on the management practices that play a crucial role during the strategic change. Telkom Kenya directed its change towards improving customer awareness of services, improved network, unique products that meet customers' needs so that they face the eminent competition [15]. It is thus essential to establish how Telkom Kenya has use management practice to facilitate the change.

A variety of local studies are done in the telecommunication sector: Kamau [16] analyzed the factors affecting achievement of strategic change in telecommunication sector; Lusweti [17] researched on factors leading employees' retention in the sector; while Mathu [8] conducted an empirical study on targeting in public sector. None of those studies have attempted to find out management of strategic change in the telecommunication sector, a knowledge gap the current study seek to fill by analyzing management practices facilitating strategic change in the Telkom Kenya Limited.

Objectives

- To determine the role of incentives in facilitating strategic change in Telkom Kenya
- To establish the role of top management decision making in facilitating strategic change in Telkom Kenya
- To assess the role of managing resistance to change in facilitating strategic change in Telkom Kenya
- To analyze the role of transition management in facilitating strategic change in Telkom Kenya
- To explore the role of empowering employees in facilitating strategic change in Telkom Kenya

HYPOTHESES

HO_1: Incentives have no significant role in facilitating strategic change in Telkom Kenya
HO_2: Top management has no significant role in facilitating strategic change in Telkom Kenya
HO_3: Managing resistance to change has no significant role in strategic change in Telkom Kenya
HO_4: Managing transition has no significant role in facilitating strategic change in Telkom Kenya
HO_4: Employees empowerment has no significant role in facilitating strategic change in Telkom Kenya

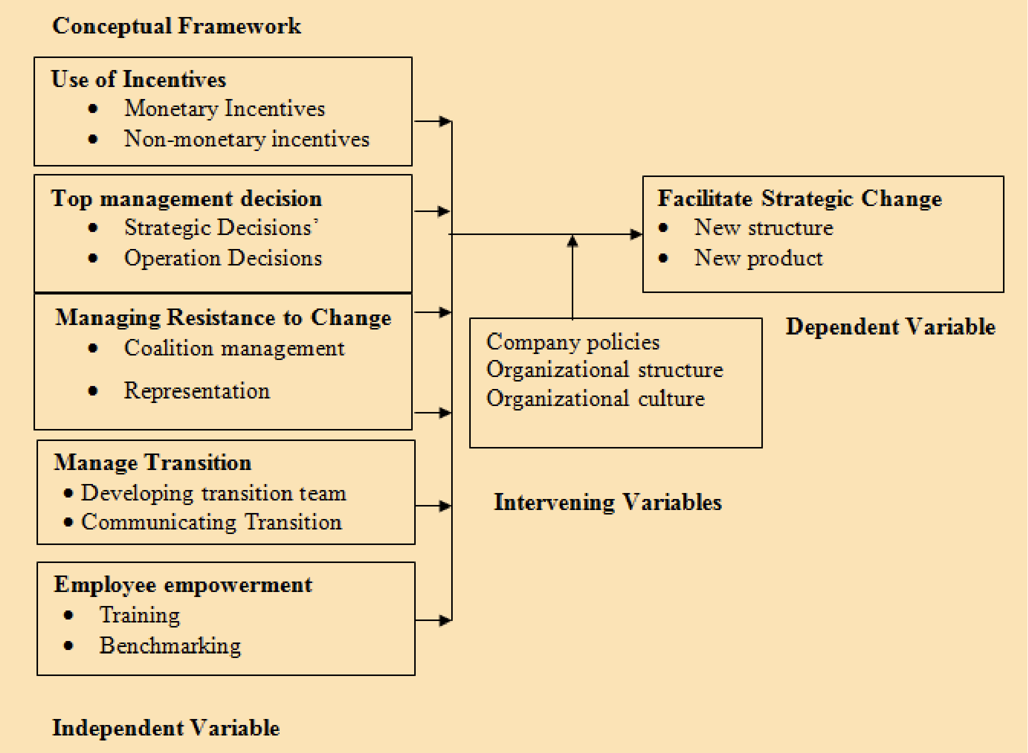

Fig-1: Effect of Management Practices in Facilitating Organizational Change
Source: Own (2018)

The independent variables are the management practices including; use of incentives, top management decision making, managing resistance to change, manage transition and employee empowerment whereas the dependent variable is facilitated strategic change. The intervening variables include; company policies, organizational structure, availability of funds and organizational culture. The study hypothesizes that when Telkom Kenya improves on its management practices under controlled factors as; company policies, organizational structure, availability of funds and organizational culture, and then the desired strategic change will be achieved.

Research Design

The study adopted a case study design targeting the top and middle level managers of Telkom Kenya Limited a population of 270 managers. The researcher adopted Nassiuma [18] formula to arrive at 32 managers as the sample size. The study used primary data collected using questionnaire. Data was analyzed using regression analysis using the regression equation below;

$$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where;
Y = Facilitated strategic change
α =constant
$\beta_1 \ldots\ldots \beta_5$= Regression Coefficients
X_1=Incentives
X_2= Top management decision making
X_3= Managing resistance to change
X_4= Managing transition
X_4= Employees empowerment
ε = the error of term.

Findings and Discussions

Table-1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.780	.772	.11107

The R value was 0.990 and R^2 of 0.780, which indicated a high degree of correlation. The R^2 value indicates how much of the dependent variable, "facilitating strategic change ", was explained by the independent variables, "role of incentives, top management decision making, managing resistance, transition management and empowering employees". In this case, 78% was the R Squared, which was fairly large indicating that the data collected was closely fitted to the regression line.

Table-2: ANOVA of the Predictors and the Dependent variable

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.22	5	6.64	291.14	.000[b]
	Residual	0.66	29	0.02		
	Total	33.89	34			

Predictors: role of incentives, top management decision making, managing resistance, transition management and empowering employees. The Dependable variable: facilitating strategic change. Table 11 indicated that the regression model predicted the outcome variable significantly with $p < 0.00$, which was less than 0.05, and indicated that; overall, the model statistically and significantly predicted the outcome variable.

Table-3: Full Regression Model

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	B	Std. Error	Beta		
(Constant)	-1.171	0.367		-3.192	0.002
incentives	0.029	0.102	0.028	0.290	0.772
Top management	0.108	0.102	0.077	1.018	0.317
Resistance	0.126	0.109	0.087	1.151	0.252
Transition	0.553	0.154	0.326	3.595	0.000
Empowerment	0.592	0.174	0.396	3.408	0.001

The first hypothesis was stated as HO_1: Incentives does not significant facilitate strategic change in Telkom Kenya; the following regression was used;

$$Y = \alpha_1 + \beta_1 X_1$$

When top management decision making, managing resistance, transition management and empowering employees were held constant, where Y was the facilitating strategic change, α_1 was the constant, β_1 was the rate of change and X_1 was the role of incentives. The null hypothesis that Incentives does not significant facilitate strategic change in Telkom Kenya was accepted. The role of incentives contributed insignificantly in facilitate strategic change in Telkom Kenya, this was because top management decision making had P=0.772>0.05 indicating that the role of incentives did not contribute in facilitating strategic change in Telkom Kenya.

The second hypothesis HO_2: was stated as top management decision making does not significant facilitate strategic change in Telkom Kenya; the following regression was used;

$$Y= \alpha_2 + \beta_2 X_2$$

When incentives, managing resistance, transition management and empowering employees were held constant, where Y was the facilitating strategic change, α_1 was the constant, β_1 was the rate of change and X_1 was top management decision making. The null hypothesis that as top management decision making does not significant facilitate strategic change in Telkom Kenya was accepted. Top management decision making contributed insignificantly in facilitate strategic change in Telkom Kenya, this was because top management decision making had $P=0.317>0.05$ indicating that the role of incentives did not contribute in facilitating strategic change in Telkom Kenya.

The second hypothesis HO_3: was stated as managing resistance to change does not significant facilitate strategic change in Telkom Kenya; the following regression was used;

$$Y= \alpha_2 + \beta_2 X_2$$

When incentives, top management decision making, transition management and empowering employees were held constant, where Y was the facilitating strategic change, α_1 was the constant, β_1 was the rate of change and X_1 was managing resistance to change. The null hypothesis that as managing resistance to change does not significant facilitates strategic change in Telkom Kenya was accepted. Managing resistance to change contributed insignificantly in facilitate strategic change in Telkom Kenya, this was because Managing resistance to change making had $P=0.252>0.05$ indicating that the role of managing resistance to change did not contribute in facilitating strategic change in Telkom Kenya.

The fourth hypothesis HO_4 was stated as managing transition does not significant facilitate strategic change in Telkom Kenya, the following regression was used;

$$Y= \alpha_3 + \beta_3 X_3$$

When top management, incentives, managing change and empowering employees were held constant, where Y was the facilitating strategic change, α_1 was the constant, β_1 was the rate of change and X_1 was managing transition. The null hypothesis that managing transition does not significant facilitate strategic change in Telkom Kenya was rejected. Managing transition contributed significantly in facilitate strategic change in Telkom Kenya, this was because managing transition had $P=0.000<0.05$ indicating that managing transition contributed in facilitating strategic change in Telkom Kenya.

The fifth hypothesis was stated as employees empowerment does not significant facilitate strategic change in Telkom Kenya, the following regression was used;

$$Y= \alpha_4 + \beta_4 X_4$$

When top management, incentives, managing change and managing transition were held constant, where Y was the facilitating strategic change, α_1 was the constant, β_1 was the rate of change and X_1 was employees' empowerment. The null hypothesis that employees empowerment does not significant facilitate strategic change in Telkom Kenya a was rejected. Employees' empowerment contributed significantly in facilitate strategic change in Telkom Kenya, this was because employees' empowerment had $P=0.001<0.05$ indicating that employees' empowerment contributed in facilitating strategic change in Telkom Kenya.

From the unstandardized coefficients, the following equation was developed:

$$y= -1.171+0.029+0.108+0.126+0.553+0.592+\varepsilon$$

CONCLUSIONS

The study main objective was to analyze the role of selected management practices in facilitating strategic change in Telkom Kenya. The first hypothesis was stated as Incentives does not significant facilitate strategic change in Telkom Kenya. The null hypothesis that Incentives does not significant facilitate strategic change in Telkom Kenya was accepted. The role of incentives contributed insignificantly in facilitates strategic change in Telkom Kenya. Further, the second hypothesis was stated as top management decision making does not significant facilitate strategic change in Telkom Kenya. The null hypothesis that as top management decision making does not significant facilitate strategic change in Telkom Kenya was accepted. Top management decision making contributed insignificantly in facilitate strategic change in Telkom Kenya, indicating that the role of incentives did not contribute in facilitating strategic change in Telkom Kenya.

The third hypothesis was stated managing resistance to change does not significant facilitate strategic change in Telkom Kenya. The null hypothesis that as managing resistance to change does not significant facilitates strategic change in Telkom Kenya was accepted. Managing resistance to change contributed insignificantly in facilitate strategic change in Telkom Kenya, indicating that the role of managing resistance to change did not contribute in facilitating strategic change in Telkom Kenya. The fourth hypothesis was stated as managing transition does not significant facilitate strategic change in Telkom Kenya. The null hypothesis that managing transition does not significant facilitate strategic change in Telkom Kenya was rejected. This indicating that managing transition contributed in facilitating strategic change in Telkom Kenya. The fifth hypothesis was stated as employees empowerment does not significant facilitate strategic change in Telkom Kenya. The null hypothesis that employees empowerment does not significant facilitate strategic change in Telkom Kenya was rejected. Employees' empowerment contributed significantly in facilitates strategic change in Telkom Kenya. Empowerment contributed in facilitating strategic change in Telkom Kenya.

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