

## **Strategic Change Management and Performance of Non-Governmental Organizations in Mandera County, Kenya**

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### **ABSTRACT**

*Organizational change is seen as any observation that is empirical in nature within a firm of any variations in form of quality, shape and state over time as a result of deliberate introduction of new acting, operating as well as the thinking. The general objective of this study was to establish the influence of strategic change management on NGO's performance in Mandera County. The purpose of this study was to establish how organization structure influences on NGO's performance in Mandera County, to examine the effect of leadership on NGO's performance in Mandera County, finding the impact of organizational structure on NGO's performance in Mandera County and to determine the effect of environment on NGO's performance in Mandera County. The study design was a descriptive survey. The study targeted by the study was 215 people from two category groups' thus county government employees and NGOs in Mandera County. The sample size for this study was 129 chosen randomly from the two groups which are 60% of the target population. Primary data was used exclusively in this research. Data collected in this study was analysed qualitatively and quantitatively. Before analysis, qualitative data was put together in terms of similar themes and presentation was done using graphs, charts and frequency distribution tables. In order to arrive at inferences content, analysis was used in a systematic and objective way to bring together message sought. On the other hand data collected quantitatively was analyzed by the use of correlations, descriptive statistics and linear regression analysis with the support of STATA software package used in social research. The output was presented on figures and tables. The study found a strong correlation coefficient between NGOs performance and organizational culture. There exists a significant positive relationship between leadership and NGOs performance in Mandera County. There was a positive correlation coefficient between NGOs performance in Mandera County and organization structure. There was a positive correlation between employee participation and NGOs performance in Mandera County. The study concludes that all dimensions of organization culture namely teamwork; communication, reward and recognition as well as training and development are important determinants of performance. Organizational culture is an important internal environmental aspect that can lead an organization either to succeed or fail. The study concludes organizational structures address the organization of work activities, including both personnel and production systems. That the absence of quality leadership in an organizational setting negatively affect performance and this leads to stagnation in organizational operations leading to missed organizational objectives. Employee participation not only*

*get the involvement of employees but enhances the feeling that they matter in their opinion while at the same time provide valuable information required by the managers to make better and informed decisions in regards to implementing change. The study recommends further studies on effect of strategic change management on performance of public organization as well as profit making organizations so as to be able to compare the results.*

**Keywords:** Organizational Structure, Employee Participation, Organizational Culture

## **1.0 Introduction**

The management of strategic change is seen as one of the main concerns in modern businesses both in practice and theory. Owing to changes in economic and technological advances in the past decade there has been a new dynamism covering important aspects of business operations leading to a new body of thoughts in the development of strategic change. These relates to how businesses should redirect their activities from out-moded ways so as to cope with changes on global markets, technological advancements as well as international competition that's why management of strategic change comes into play (Burnes, 2004). Organizations are formed to pursue a given purpose for which they align themselves to achieve during their life. Continuous evaluation of internal processes and the external environment is crucial to survival in the ever turbulent environment. To succeed, in achieving their goals, organizations need to formulate and implement strategies through management of strategic change (Koigi, 2002).

Change management in strategy value has over time been seen as not only a cognitive firm reorientation but also a shift in processes and structures (Demarie & Mullane, 2004) which touches on a redefinition of a firm's purpose, mission or shifting on goals and priorities. The success of strategic change management is attributed to not only the ability of the firm to come up with and implement new structures or process but also the ability of the firm to pass its new mission and goals to its stakeholders.

The improvement of performance has become ever more critical to NGOs leave alone the considerable amount of attention and research by various people in the past two decades. As pointed out by Smyth (2010) many countries have seen various ranges of initiatives in the past 10 to 15 years seeking the introduction of strategic change management in order to improve performance of NGOs. The performance of an organization is dependent upon its capability to adjust to changes in its environment and the expectation its customers. The demands of the government, stakeholders and the institutions employees change continuously depending on the changes in their operating environment and consequently, there is need for the organization to align its operations to the changes in order to improve its performance (Hodge & Johnson, 2007).

Non-governmental organizations in Mandera County are facing serious challenges in enhancing their performance through strategic change management occasioned by among others irregular occurrences that impact on an individual organization circumstance, fast spread of new technology, leadership shifts, outside border initiatives, services and products that are new causing unpredictable issues among the NGOs operating in the slum. In addition to these it is necessary to look into many interests relating to stakeholder than before, increasing global presence, information overload, not having the necessary information on

how results and actions relating to day to day activities of managers working in an environment that is not conducive is the common issue among NGOs which is affecting their performance (Ali, 2012).

### **1.1 Motivations for Research**

Several strategic change management factors have been adopted by firms seeking to improve on their performance. Among these practices are powerful management teams with a strong visionary leadership from the top, a well-motivated, skilled, committed and flexible employees as well as optimal organizational structure. This is addition to a clearly defined mission, objectives and vision, and a sound base financially (Armstrong, 2006). Despite this NGOs in Mandera have been performing poorly in regards to achieving their objectives. Various studies have been carried out on this topic for example Ali, (2011) carried out a study on the what influences sustainable funding of NGOs in Kenya and found out that management is core among them, Weerawardena, (2008) in his study sought to establish reasons why organizations leverage their competitive advantage leading to superior performance financially and ensure organizational survival and growth and Koigi (2002) argues in his study that to succeed, in achieving their goals, organizations need to formulate and implement strategies through strategic change management.

While the above studies have touched on strategic change management practices; still there is quite a gap among profit making enterprises and non-profit making organizations in the sense that the desire for excellence is not reflected in a similar emphasis in investment of resources and significance in as much as there is threats to continuance of the firm and increased vulnerability. Thus, this study set out to fill the knowledge gap. The question answered was what is the how strategic change management influences on the performance of NGOs in Mandera County, Kenya?

This study focused on the broad objective of establishing the effect of strategic change management on performance of NGOs in Mandera County.

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Review**

The theoretical underpinnings for this study are grounded in Kotter`s theory. Kotter in (1996) proposed the Kotter`s theory which is considered in organizational change vision so as to transform how the organization operates. This model is best used at the strategic level of a firm. According to the users of this model the process of change passes through many different stages which go on for sometime and have an influence on the failure or success of change in the organization. The theory proposes eight steps approach to change management. According to this model people prefer status-quo and that change means uncertainty in relation to the future. In most cases people do not trust things which are uncertain leading to them avoid change. For organizations to encourage employees to assist in change they need to create urgency in change itself (Davis, 2002). This stage is considered to be the same as when a person is going for drug treatment to intervene on some sickness. Organizations can intervene by putting resistance using powerful managerial coalitions to work with those likely to resist change (Kotter, 1998). It is always much simpler to get things working out according to plan with a clear cut plan being in place than working with a clear plan to be followed.

## **2.2 Organization Culture and Performance**

Roos and Eeden (2010) argued in their study that corporate culture affects on how workers behave as much as they feel and think about the organization. According to James and Glission (2002) and Martins and Manetje (2009) are of the opinion that organizational culture provides the guide on the experiences of employees and explains why it is important for organizations to seek to influence how well individuals are in the organization, behaviour and attitudes. La Grange and Geldenhuys (2008) found out that it's important for institutions to implement changes in organizational culture corresponding to their strategies and adapting to changing circumstance.

According to Manetje and Martins (2009) changes in business world are constant and that are the major implication of how organizations are able to function and these affects organizational commitment and culture. Similarly, Pool (2000) argues that culture in an organization has a significant role to play in relation to organizational change. Weeks (2010) maintains that strategies of organizations are likely to fail if the firms face challenges in realigning continuous changes to management responses while at the same time reengineering efforts will lack clarity and fail.

La Grange and Geldenhuys (2008) states that since culture is an important aspect for organizational uniqueness, therefore if it cannot be strongly defined and managed effectively creating alliances will result in more problems. Munck (2001) found out that one of the most fundamental challenges facing organizations is changing their organizational culture owing to the fact that employees are naturally inclined to put in place onto anything well known even with best options existing.

According to Schein (1992) organizational culture is defined as essential assumptions of a pattern that has been invented or discovered by a group so as to be able to cope with problems that relate to internal integration as well as external adaptation having worked to the satisfaction of the inventors and seen to be valid. This is then taught to new individuals as the best way of perception, thought and how one feels in regards to challenges faced. Organizational culture in most cases is influenced by organizational leaders who are key. This has over time emerged as one of the most pivotal activity in determining how successful the implementation of change is carried out in an organization.

In regards to the key features of successful firms Peters and Waterman (1982) were of the opinion that culture which involves the states of the mind and the values of the organization. These shared values play an important role which is persistent and can be in place even when the group membership has changed. Since organizational culture involves both formal and formal structural components it is seen as the most difficult and important dimension of change management. Organizational cultures are not static or uniform and over time they evolve thus all the cultural systems exhibit changes that are continuous that are punctuated on occasion with more obvious changes that are also radical (Weick & Quinn, 1999).

Mumford, Scott, Gaddis and Strange (2002) in their study opinioned that organizational culture is a representation of collective social construction that leaders of organizations have control which is substantial. This is viewed widely as a competitive advantage source to firms. Amabile (1998) argued that the nature of leaders can influence organizational through how their attitudes are to motivation and work

of members. However, one of the major challenges that the leaders are faced by is selecting the action set that is realistic in regards to the firms' capability to absorb any changes. Therefore, getting to a decision where an organization is able to get to the better culture change which must also be seen as the act of balancing in organizations.

Belias and Koustelios (2013) carried out a study on among the Greek banking firms on organizational culture. In their study it was established that the leading firms' culture in firms is seen to be hierarchical but employees prefer the clan type. Aycan, Kanungo and Sinha (1999) argue that the culture of a firm is an important aspect for the internal environmental which can either lead to organizational success or failure. From evidence it is clear culture dictates the the inside operating environment of the firm and shows the degree to which employees and managers assumptions are in agreement. Furthermore, understanding organizational culture assists in the identification of the beliefs of workers as well as the structure that is beneficial in relation to how leadership is implemented.

### **2.3 Performance of NGOs**

According to Armstrong and Baron (2006) performance in an organization should always consider the inputs, analyzing the behaviors, and the outputs, focusing on the results. An organization performs once it covers the competency levels and achievements as well as accomplishes the objectives of the organization strategy. However, the factors that affect performance, the processes for managing performance, and how performance is measured will vary according to each author and special depending on each organization (Bruijin, 2002). NGOs performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operations goals (Griffins, 2006).

## **3.0 METHODOLOGY**

The current study used the cross sectional research design. This study targeted 215 people from two category groups' thus county government employees overseeing performance of NGOs and NGOs in Mandera County. The study sought to sample 129 chosen randomly from the two groups which was 60% of the target population. Primary sources of data were exclusively used in the study. Questionnaires were the sources of primary data formulated to target people in charge of target groups. Analysis of data was done both quantitatively and qualitatively. Common themes of qualitative data was put together and presented through graphs, charts and frequency distribution tables. In addition the identification of objectives and inferences were carried out through content analysis. The quantitative information gathered was analyzed through linear regression analysis, correlations and descriptive statistics achieved by the use of SPSS version 22.0 software package. The data analysis was necessary in answering the research questions sought by the researcher. The findings interpretation was done through presenting a synopsis of the results followed by an explanation of key findings. Presentation of results was in form of figures and tables.

## 4.0 RESULTS AND DISCUSSIONS

### 4.1 Inferential Statistics

The focus of hypothesis one was to determine the relationship between organizational cultures on NGOs performance. It was hypothesised that organizational culture has a positive effect on NGOs performance. This hypothesis was tested using Pearson’s Moment Correlation as shown in the tables 1.

**Table 1 The effect of Organizational Culture on NGOs Performance**

Variable		NGOs Performance	Organizational Culture
NGOS Performance	Pearson Correlation	1	.598
	Sig. (1-tailed)		.046
	N	94	94
Organizational culture	Pearson Correlation	.598	1
	Sig. (1-tailed)	.046	
	N	94	94

The study found a strong correlation coefficient between NGOs performance and organizational culture as shown by correlation factor of 0.598. This strong relationship was found to be statistically significant as the significant value was 0.046 which is less than 0.05.

The aim of hypothesis two was to establish the relationship between leadership and NGOs performance in Mandera County. To test the second hypothesis, the index of NGOs performance as index of dependent variable was correlated upon leadership a composite of independent variable using Pearson’s Moment Correlation as shown in table 2.

**Table 2 The effect of Leadership on NGOs Performance**

Variable		NGOs Performance	Leadership
NGOs Performance	Pearson Correlation	1	.843
	Sig. (2-tailed)		.016
	N	94	94
Leadership	Pearson Correlation	.843	1
	Sig. (2-tailed)	.016	

The findings show that there was a strong positive correlation coefficient between NGOs performance in Mandera County and leadership as shown by correlation factor of 0.843. The P- value was 0.016 which is less than 0.05.

To test the third hypothesis Karl Pearson’s Moment Correlation was used with NGOs performance being the dependent variable while organization structure was the independent variable as shown in table 3.

**Table 3 The effect of Organizational Structure on NGOs Performance**

Variable		NGO Performance	Organization Structure
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NGOs Performance	Pearson Correlation	1	.802
	Sig. (1-tailed)		.001
	N	94	94
Organization Structure	Pearson Correlation	.802	1
	Sig. (1-tailed)	.001	
	N	94	94

There was a positive correlation coefficient between NGOs performance in Mandera County and organization structure as shown by correlation factor of 0.802. This relationship was found to be statistically significant as the probability value was 0.001 which is less than 0.05.

It was then hypothesized that employee participation had a positive significant effect on NGOs performance in Mandera County. The hypothesis was tested using Pearson’s moment correlation as shown in Table 4..

**Table 4 The effect of Employee Participation on NGOs Performance**

Variable		NGOs Performance	Employee Participation
NGOs Performance	Pearson Correlation	1	.722
	Sig. (2-tailed)		.008
	N	94	94
Employee Participation	Pearson Correlation	.722	1
	Sig. (2-tailed)	.008	
	N	94	94

The results indicate that there was a positive correlation (0.722) between employee participation and NGOs performance in Mandera County. The p-value was 0.008 and thus, less than the alpha level of 0.05 hence establishing a positive significant relationship between these variables.

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The study tested the significance of the model by use of ANOVA technique. The findings are tabulated in Table 5.

**Table 5 ANOVA Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.552	4	2.138	5.717	.000 <sup>b</sup>
	Residual	65.45	86	0.374		
	Total	74.002	93			

From the ANOVA statics, the regression model was found to be valid (F = 5.717, P < 0.05). This implies that the variables organizational culture, leadership, organization structure and employee participation are good predictors of NGOs performance in Mandera County.

In addition, the study used the coefficient table to determine the study model. The findings are presented in the Table 6.

**Table 6 Coefficients**

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	0.176	0.067		2.627	.0121
Organizational Culture	0.571	0.166	0.532	3.442	.0013
Leadership	0.817	0.238	0.767	3.431	.0014
Organization Structure	0.782	0.301	0.694	2.590	.0032
Employee Participation	0.674	0.202	0.613	3.337	.0018

As per the SPSS generated output as presented in table above, the equation becomes:

$$Y = 0.176 + 0.571X_1 + 0.817X_2 + 0.782X_3 + 0.674X_4$$

From the regression model obtained above, a unit change in organizational culture holding the other factors constant would positively change NGOs performance in Mandera County by a factor of 0.571. These findings are in tandem with those of Martins and Manetje (2009) who were of the opinion that organizational culture provides the guide on the experiences of employees and explains why it is important for organizations to seek to influence how well individuals are in the organization, behaviour and attitudes. A unit change in leadership while holding the other factors constant would positively change NGOs performance in Mandera County by a factor of 0.817. These findings are in agreement with those of Mosia (2004) who argues that for the formulation and the implementation of change strategies to be effective leadership must play a vital role since it is seen as a link relating to the process of strategic management process with the organization and its vision and objectives.

In current study a unit change in organization structure while holding the other factors constant would positively change NGOs performance in Mandera County by a factor of 0.782. These findings agree with the findings of Schwarz and Shulman (2007) who emphasized that structures in firms need to be the merchandise of not only of demands coordinated and imposed by advances in technologies that are complex but also through norms that are rationalized that are able to legitimize the adoption of appropriate structural models. A unit change in employee participation while holding the other factors constant would positively change NGOs performance in Mandera County by a factor of 0.674. These results agree with those of Lines (2004) states that employee participation not only getting the involvement of employees but enhances the feeling that they matter in their opinion while at the same time providing valuable information required by the managers to make better and informed decisions in regards to implementing a change.

## 5.0 POLICY IMPLICATION

All dimensions of organization culture namely teamwork; communication, reward and recognition, and training and development are important determinants of performance. The study concludes that absence of



quality leadership in an organizational setting negatively affect performance and this leads to stagnation in organizational operations leading to missed organizational objectives. In order to effectively measure organizational performance; organizations need to be performed and delivered under certain constraints. The bottom focus for any organization is its structure, processes and systems. Employee participation not only gets the involvement of employees but enhances the feeling that they matter in their opinion while at the same time providing valuable information required by the managers to make better and informed decisions in regards to implementing a change.

The study recommends that since culture is an important aspect for organizational uniqueness and organization performance, therefore must be strongly defined and managed effectively creating since alliances will result in more problems. Organizations need to focus more on how to embrace the best culture. The study recommends that organization must be aware that leadership is essentially the core and spirit of organizations as it directs all other organizational resources towards the attainment of organizational objectives and more specifically performance. The study recommends that organizations should improve integration of its complex systems: organizational structure, management system processes, financial management systems and the human management system by providing models and methods to align meaning and propensities at the individual, team, leader and organizational levels to create resilient and sustainable organizations leading to their performance. Finally, the study recommends organizations need to ensure that their employees are participating actively in roles where they gain a lot of information regarding discrepancy and efficacy, being able to effectively build confidence through enactive mastery as well as employees being provide with a vicarious learning experience so as to be able to develop own confidence through carrying out new task successfully.

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