

# Journal of Public Policy & Governance



## **Effects of Organization Structure on Strategic Change Management in Mombasa County Government**

**Wilfred Kakucha, Dr. Fridah Simba and Dr. Anwar  
Ahmed**

# Effects of Organization Structure on Strategic Change Management in Mombasa County Government

<sup>1\*</sup>Wilfred Kakucha, <sup>2</sup>Dr. Fridah Simba and <sup>3</sup>Dr. Anwar Ahmed

<sup>1</sup>PhD Candidate, Department of Entrepreneurship and Technology, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya

<sup>2</sup>Jomo Kenyatta University of Agriculture and Technology, Kenya

<sup>3</sup>Technical University of Mombasa, Kenya.

\*Corresponding email: [wilfredkakucha@yahoo.com](mailto:wilfredkakucha@yahoo.com)

**How to cite this article:** Kakucha, W., Simba, F., & Anwar, A., (2018). Effects of Organization Structure on Strategic Change Management in Mombasa County Government, *Journal of Public Policy & Governance* Vol 2(1) pp. 21-42.

## Abstract

The Kenyan 2010 constitution attempts to entrench a culture of enhanced service delivery as it pins hopes in the Kenya's Vision 2030. With this new era, devolved system of governance came to existence calling for creation of new governance structures while also entrenching the value of citizen participation in governance. However, three years down the line only 21% of Kenyans are satisfied with the county government's performance and 53% of Kenyans expressing their dissatisfaction with the performances of county governments majorly due to invisible developments and service delivery as a result of devolution. Mombasa County has also been shown to face serious challenges in service delivery despite the wide ranging reforms put in place over the years. This study therefore sought to establish how organizational structure influences strategic change management in Mombasa County. The study adopted a descriptive cross-sectional survey design using both qualitative and quantitative approaches involving purposive sampling of at least one senior level manager as key informant from each of the existing department within the county. Qualitative data collected from the 12 key informants were backed up with quantitative data collected using questionnaires administered to 364 junior staff sampled through simple random sampling. Quantitative data were analyzed using SPSS version 21 where relationships between the variables were assessed using correlation and regression analysis while qualitative data were analyzed via content and thematic analysis where emerging themes were presented in form of verbatim. The study found out that there was a positive and significant relationship between Organizational Structure and Strategic Change Management ( $r=0.318$ ,  $p=0.000$ ). Based on the findings, the study concluded that Organizational Structure has a positive and significant effect on Strategic Change Management. The study recommends the County government of

Mombasa to focus on organizational structure since it was found to have a positive and significant effect on the strategic change management. This study noted that organizational structure contributes to a greater extent towards a change management process.

**Keywords:** *Organizational Structure, Strategic Change management, County government and implementation*

## 1.0 Introduction

Change management is the transformation of organizations in order to maintain and/or improve their effectiveness by deliberate, conscious use of strategies to match the prevailing circumstances and preferences. This is in order to achieve and succeed in attaining the objectives of the organization in line with the needs of the organizations customers (Situma, 2012). This involves changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy (Naghibi & Baban, 2011). Managing change is a very important factor in the success of every business, since it helps managers think creatively about how they manage change, whilst avoiding many of the pitfalls that other companies have encountered (Alande, 2013).

The term strategic is used to express the influence of strategy on organizational structure, technology, capabilities, culture, resources and control. In this study, strategic change is understood as change that has an impact on the overall organization and affects major subsystems. The process of change begins with organizational leaders developing an organizational strategy, then with the creation of an initiative that is aligned with that strategy as a direct response to a change in the business environment (Naghibi & Baban, 2011).

Organizational structure refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met (Elsaid, Okasha, & Abdelghaly, 2013). Organizational structure specifies the firm reporting relationships, procedure, controls, authority and decision making process (Hitt, Ireland, & Hoskisson, 2016). Organizational structure can also be seen as the location of decision-making responsibilities in the firm, the formal division of the organization into subunits, and the establishment of integrating mechanisms to coordinate the activities of subunits (Hill, Schilling, & Jones, 2016). However, an organization's structure can depend on its size, the sector it operates in (public, private, or 'third sector' i.e. voluntary or charitable), the number of people it employs and its physical resources. Developing a structure that supports a firm's change initiatives is difficult because of uncertainty and dynamic environment hence it is a critical component of successful change management process (Namoso, 2013). Further, the configuration of organizational structure facilitates the capacity of the company to adapt to change, to learn, to innovate or to improve its ability to generate added value for its customers (Martinez-Leon & Martinez-Garcia, 2011).

## 1.2 Statement of the Problem

Change is an inevitable continuous process that determines long-term direction and performance of organizations to ensure careful formulation, effective implementation and continuous evaluation of strategy taking place (Obudo & Wario, 2015). However evidence suggests that a high proportion of change initiatives fail yet the failure of strategic initiatives has a significant financial impact where it is estimated that 15 percent of every dollar spent

on strategic change initiatives is lost (Hughes, 2011; Kuipers, Kickert, & Higgs, 2013; Cabrey, Haughey, & Cooke-Davies, 2014). For successful implementation of organizational change to occur it calls for simultaneous changes in multiple organizational dimensions (By & Macleod, 2012). Public organizations have continuously and repeatedly been faced with the need to change in order to render more efficient and better services to their citizens. Kenya's 2010 Constitution envisages far-reaching changes encompassing transformation of the Kenyan state through new accountable and transparent institutions, inclusive approaches to government and a firm focus on equitable service delivery for all (World Bank, 2012).

In Kenya's public sector, individual interests, political considerations, and other factors compete, often derailing change and negatively impacting the reforms envisioned during restructuring (Mulaki & Williamson, 2015). As from the onset of the new governance, it faced resistance from many quotas posturing and tug of war between some leaders and institutions on the one hand and between the national and county governments on the other (Nyachae, 2015). In order for the Mombasa County government to achieve targets of becoming a vibrant modern regional commercial hub with high standards of living for its residents as envisaged in its 2013-2017 Integrated Development Plan, it has to contend with resistance to change (County Government of Mombasa, 2013).

Various studies have been conducted on the newly devolved government structures. Wamae (2014) studied the role of procurement function in enhancing performance on county governments; Mugambi and Theuri (2014) studied the challenges encountered by devolved governments in Kenya in the budget preparation process. The study found that the planning process was not adequately done as per the stipulated guidelines. Wambua (2014) examined decentralization of governments operations and services delivery by sector. The study found that there was an overlap in the role of the national government in delivery of services of some functions. Three years after implementation of the new constitution, no study has been carried out on determinants influencing strategic change management in the newly formed County Government of Mombasa. This study therefore sought to fill the existing gap by analyzing the effect of organization structure on strategic change management in Mombasa County Government.

### **1.3 Objectives of the Study**

To determine the effects of organization structure on strategic change management in Mombasa County Government

### **1.4 Hypothesis**

**H<sub>0</sub>:** Organizational structure has no significant effect on strategic change management in Mombasa County Government.



## 2.0 Literature Review

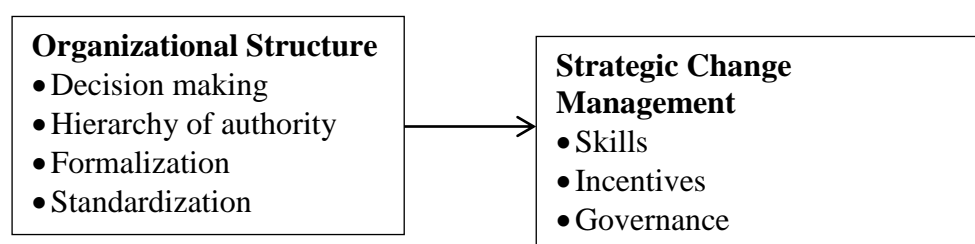
### 2.1 Theoretical Framework

#### 2.1.1 Mintzberg's Model

Mintzberg's Model was developed by Henry Mintzberg in 1984. The model suggests that organizations can be differentiated along three basic dimensions: (1) the key part of the organization, that is, the part of the organization that plays the major role in determining its success or failure; (2) the prime coordinating mechanism, that is, the major method the organization uses to coordinate its activities; and (3) the type of decentralization used, that is, the extent to which the organization involves subordinates in the decision-making process (Mintzberg, 1984; Lunenburg & Ornstein, 2011).

Using the three basic dimensions key part of the organization namely: prime coordinating mechanism, and type of decentralization, Mintzberg suggests that the strategy an organization adopts and the extent to which it practices that strategy result in five structural configurations: simple structure, machine bureaucracy, professional bureaucracy, divisionalized form, and adhocracy (Lunenburg, 2012). Indeed, in response to different environmental circumstances, the organisational structure is conditioned by decisions regarding the internal organisational level in general and design variables in particular (centralisation, standardisation and differentiation), both of which are governed by organizational leaders' perceptions and preferences in response to external contingency factors (Achcaoucaou, Bernardo & Bernardo, 2009). This theory was relevant to the organizational structure variable of this study because it differentiates the organization along three basic dimensions which results into five structural configurations. Further, it elaborates that some organizational structures promote organizational change while some organizational structures act as roadblocks towards the desired organizational change.

### 2.2 Conceptual Framework



**Figure 1: Conceptual framework**

#### 2.2.1 Strategic Change Management

Strategic change is a way of changing the objectives of the company in order to obtain greater success (Belias & Koustelios, 2014). Change management means defining and adopting corporate strategies, structures, procedures and technologies to deal with changes in external conditions and the business environment (Rees & Hall, 2013). In simple form strategic change is a way of changing the objectives and vision of the company in order to obtain greater success (Naghbi & Baban, 2011). Strategic change can be distinguished from organizational change in the essence strategic change is as a result of the company initiating proactive initiatives to manage new strategies and their impact on people in an organization.

while the organizational change is the change that happens continuously within organizations manifested in its two extremes slow organizational change (gradual introduction characterized by a low level of resistance) and fast organizational change (sudden introduction as a part of a major initiative, therefore characterized by a higher level of resistance) (Lynch, 2009; Stoyanova & Hejndorf, 2011).

However, it has been recognized that slow organizational change might run parallel to strategic change. Hence, actions, events or developments can be regarded as strategic when the whole organization, its nature and direction within its context are influenced and do not exist in vacuum (Collm, Schedler, & Rüegg-Stürm, 2011). In this study, strategic change is understood as change that has an impact on the overall organization and affects major subsystems. Chepkemai and Moronge (2015) emphasize that in managing change one needs to know the key elements to change which include: what is changing, why the change is taking place, who change impacts and how to monitor the changes throughout the process. In addition, when the components of leadership, shared vision, resources, skills, incentives, and strategy are collectively inherent in the system, there is likelihood of change taking place (Rajapakse, 2015)

Organizational change can be seen as going from a status quo situation, through a transformation phase, into the new situation which is the desired situation which the architects behind the reform initiative have developed (Degnegaard, 2010). The drastic change in the business scenario call for a speedy transformation of mission, vision, core values, core competence, management style, policy framework, management system, structures, process, renewal mechanism etc. of organization (Kalyani & Sahoo, 2011). Balogun and Hailey (2008) identified eight contextual features which can be found in external, organizational, team, and/or the individual level of activities influencing change including: capability, time, scope, preservation, power, diversity, readiness, and capacity.

Bureaucracies have been consistently criticized for their failure to be optimally responsive to market conditions and customer demands in the public service. This is because they perpetuate traditional and ineffective beliefs about organizational structure, process and performance, and leave disgruntled employees and customers in their wakes resulting in perpetual suboptimal performance (Hornstein, 2010). The reasons for strategic change in the public sector are mostly found in abrupt and predominantly exogenous jolts such as changing policies or legislation, technological change, top management replacements or reorganizations such as the joining together or the breaking up of public agencies (Anggraeni, 2014).

### **2.2.2 Organization Structure and Strategic Change Management**

Organizational structure refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met (Elsaid, Okasha, & Abdelghaly, 2013). Organizational structure specifies the firm reporting relationships, procedure, controls, authority and decision making process (Hitt, Ireland, & Hoskisson, 2016). Organizational structure can also be seen as the location of decision-making responsibilities in the firm, the formal division of the organization into subunits, and the

establishment of integrating mechanisms to coordinate the activities of subunits (Hill, Schilling, & Jones, 2016). However, an organization's structure can depend on its size, the sector it operates in (public, private, or 'third sector' i.e. voluntary or charitable), the number of people it employs and its physical resources. Developing a structure that supports a firm's change initiatives is difficult because of uncertainty and dynamic environment hence it is a critical component of successful change management process (Namoso, 2013). Further, the configuration of organizational structure impedes or facilitates the capacity of the company to adapt to change, to learn, to innovate or to improve its ability to generate added value for its customers (Martinez-Leon & Martinez-Garcia, 2011).

Organizational structure can be seen as a component of centralization, formalization and standardization (Andersson, Zbirenko, & Medina, 2014). Centralization is the concentration of decision making authority and is composed of hierarchy of authority (the concentration of decision making authority in performing tasks and duties) as well as participation in decision making. Formalization on the other hand is the amount of written documentation in the organization which indicates the extent to which job tasks are defined by formal regulations and procedures to standardize operations in organizations (Zakrzewska-Bielawska, 2008). Standardization is the extent to which employees work according to standard procedures and rules in an organization which ensures that employees complete their duties and tasks in the required manner, and therefore, ensures that an employee's actions and behaviors are routine and predictable (Al-Qatawneh, 2014). Further, organizations can either be characterized as vertically structured or horizontally structured (Darus, Noor, & Abidin, 2014). According to Chen, Huang, & Hsiao (2010), vertically structured organizations have specialized tasks, a strict hierarchy with many rules (formalization), vertical communication and reporting systems, few teams or task forces, and centralized decision-making while horizontal structure involves shared tasks and empowerment, a more relaxed hierarchy with fewer rules, horizontal face-to-face communication, more teams or task forces, and decentralized decision-making.

Typically public services is seen as bureaucratic, that is it stresses a formal hierarchy, rules, specialization, impersonality, routine and merit-based employment (Anggraeni, 2014). A high degree of centralization can be said to diminish the likelihood that organizational members seek new or innovative solutions while innovative, prospecting organizations are characterized by decentralized decision-making structures (Van der Voet, 2013). Similarly a high degree of formalization impedes processes of adaptation and learning since the amount of required paperwork and written rules tends to cause administrative delay and poor communication with costumers and more so hinder experimentation and ad hoc problem solving efforts (Martinez-Leon & Martinez-Garcia, 2011).

In order for an organization to achieve successful change management results, the staff should empower and give authority to junior employees to make decisions that will enable a proper change management process. Delegation has been claimed to influence and enable utilization of employee talent hence to benefit the organization change process (Kombo, Obonyo, & Oloko, 2014). Organizational hierarchy with many management levels make it difficult for change communication to rich the intended recipient in the right time and form without distortion and hence enabling change management (Namoso, 2013)

### 3.0 Research Methodology

This study adopted both retrospective and cross sectional descriptive survey research design. This study was conducted among employees of the County Government of Mombasa. As at April 2016, the county had 4102 employees. Among these employees, 38 are senior managers including: The Governor, deputy governor, members of county executive committees, chief officers and departmental directors while the rest are junior officers. Yamane (1967) formula was used to calculate a sample size of 364 employees. Simple random sampling was adopted to sample the junior staff within the county such that each staff has an equal probability of being selected to participate in the study. The quantitative data collected were coded, processed and cleaned off any inconsistencies and outliers. The qualitative data was analyzed through the selection of concepts, categories and themes. Descriptive statistics was used in formulating frequency tables, graphs and charts. Relationship between the independent variables and the dependent variable was established using multiple linear regression model. The regression model is;

$$Y = b_0 + b_1X_1 + \varepsilon$$

Where

$Y$  = Strategic change management

$b_0$  = Constant

$b_1$  = Coefficient for Organizational Structure

$\varepsilon$  = Error term

### 4.0 Research Findings and Discussion

#### 4.1 Response Rate

The sample for the study was 364. All the questionnaires were returned and correctly filled representing a response rate of 100% as summarized in Table 1. This response rate was appropriate since Kothari (2011) argued that 50% response rate is adequate, 60% good and above 70% rated as appropriate for analysis.

**Table 1: Response Rate**

Questionnaires	Frequency	Percentage
Returned	364	100%
Non returned	0	0.00%
<b>Total</b>	<b>364</b>	<b>100</b>



## 4.2 Reliability Results

Reliability analysis was done to evaluate survey constructs. Reliability analysis was evaluated using Cronbach's alpha. Sekaran and Bougie (2013) argued that coefficient greater than or equal to 0.7 is acceptable for basic research.

**Table 2: Summary of Reliability Coefficient of the Study Variables**

Variables	Number of items	Reliability Cronbach's Alpha	Comments
Organization Structure	19	0.758	Accepted
Strategic Change Management	21	0.965	Accepted

The most common reliability coefficient is Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test-internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test. The findings on Table 2 indicated that organization structure and Strategic Change Management had Cronbach alpha of 0.758 and 0.965 respectively. All variables depicted that the value of Cronbach's Alpha are above value of 0.7 thus the study variables were reliable. This represented high level of reliability.

## 4.3 Factor Analysis

### 4.3.1 Factor Loading for Organizational Structure

Factor analysis was conducted on statements regarding Organizational Structure. Table 3 shows the set of sub variables under the variable organizational structure. Which according to Mabert, Soni and Venkataramanan (2003), actors loading with Eigen values greater than 0.5 should be extracted and below 0.49 not considered. All the sub variables had values more than 0.5 and therefore they were accepted and thus no sub variable was drop dropped.

**Table 3: Factor Loading for Organizational Structure**

Statements	Factor Loading
<b>Formalization</b>	
It is considered extremely important here to follow the rules	0.750
People can ignore formal procedures and rules if it helps get the job don	0.755
Everything has to be done by the book	0.606
It's not necessary to follow procedures to the letter around here	0.691
Nobody gets too upset if people break the rules around here	0.746
<b>Autonomy</b>	
Management let people make their own decisions much of the time	0.741
Management trust people to take work-related decisions	0.719
People at the top tightly control the work of those below them	0.729
Management keep too tight a reign on the way things are done around here	0.839
It's important to check things first with the boss before taking a decision	0.785

### Participation

Management involve people when decisions are made that affect them	0.643
Changes are made without talking to the people involved in them	0.801
People don't have any say in decisions which affect their work	0.796
People feel decisions are frequently made over their heads	0.722
Information is widely shared	0.593
There are often breakdowns in communication here	0.591

### Standardization

The county has standardized operating procedures	0.934
The standardized procedures discourages creativity	0.872
One is not free to carry out duties assigned in his/her own way	0.925

### 4.3.2 Factor Loading for Strategic Change Management

Factor analysis was conducted on statements regarding Strategic Change Management. Table 4 shows the set of sub variables under the variable Strategic Change Management. Which according to Mabert et al (2003), factors loading with Eigen values greater than 0.5 should be extracted and below 0.49 not considered. All the sub variables had values more than 0.5 and therefore they were accepted and thus no sub variable was drop dropped.

**Table 4: Factor Loading for Strategic Change Management**

Statement	Extraction
Examined external trends, issues and problems confronting it	0.571
Identified and discussed actual or potential crises or major opportunities	0.565
Established an increased sense of urgency around needed change	0.824
Put together a group with enough power to lead the change	0.878
Got the group to work together effectively as a team	0.627
Created a vision and strategy to help guide the change effort	0.761
Ensured that it had a shared vision and strategy	0.737
Continuously used every available vehicle to communicate the new vision a	0.834
Had the leadership team role-model the behavior expected of employees	0.871
Eliminated obstacles to the planned change	0.860
Modified systems or structures that undermine the change vision	0.505
Encouraged reasonable risk-taking and non-traditional ideas and actions	0.786
Focused on results rather than activities	0.514
Planned for visible short-term improvements in performance (quick "wins")	0.598
Visibly recognized and rewarded people who make the wins possible	0.795
Monitored and adjusted strategies in response to problems in the change p	0.764
Aligned all policies, systems, structures and practices to fit each other	0.779
Hired, promoted and developed people who can implement the change vision	0.626
Reinvigorated the change process through new projects, themes and change	0.869
Articulated the connection between new behaviors and organizational success	0.872
Created processes to ensure leadership development and succession	0.837

#### 4.4 Descriptive Statistics

This section contains descriptive analysis for organizational culture. A Likert scale with options of strongly disagree, disagree, not sure, agree and strongly agree were presented for answering by respondents. The results were presented in form of percentages, mean and standard deviations.

##### 4.4.1 Organizational structure on Strategic Change Management

The study sought to determine the effect of organization structure on strategic change management in Mombasa County Government. To achieve the respondents were requested to indicate their levels of agreement on a five point Likert scale. (1 = strongly disagree, 2 = Disagree 3 = Neutral, 4 = Agree, 5 = strongly agree) was used and the mean response rate from the respondents owners calculated. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was neutral. The results of this study are as depicted in Table 6.

Regarding formalization, Results in Table 5 shows that majority 85.4% (40.9% + 44.5%) agreed that it is considered extremely important to follow the rules. The results had a mean response of 4.1 with a standard deviation of 1.0. This means that it is extremely important to follow the rules. Secondly, majority 81% agreed that People can ignore formal procedures and rules if it helps get the job done. The results had a mean response of 4.1 with a standard deviation of 1.2. This implies that People can ignore formal procedures and rules if it helps get the job done. Majority 76.9% strongly agreed that everything has to be done by the book. The results had a mean response of 3.9 with a standard deviation of 1.3. Further, majority 78% agreed that it's not necessary to follow procedures to the letter. The results had a mean response of 4.1 with a standard deviation of 1.2. This implies that the rules can be flexed. Moreover, majority 80.4% agreed that nobody gets too upset if people break the rules. The results had a mean response of 4.1 with a standard deviation of 1.2. This means that the rules sometimes can be compromised.

Regarding to Autonomy, majority 66.5% disagreed that management let people make their own decisions much of the time. The results had a mean response of 2.3 with a standard deviation of 1.5. This means that management is not involved in decision making in most of the times. 64.6% disagreed that management trust people to take work-related decisions without getting people. The results had a mean response of 2.4 with a standard deviation of 1.6. 80.5% disagreed that People at the top tightly control the work of those below them. The results had a mean response of 2.0 with a standard deviation of 1.4. This means that there is a low level controls within the organizations. 81% disagreed that management keep too tight a reign on the way things are done. The results had a mean response of 1.9 with a standard deviation of 1.4. 81% disagreed that it is important to check things first with the boss before taking a decision. The results had a mean response of 1.9 with a standard deviation of 1.4. This means that people need not to seek for consultation from the boss. 81% disagreed that it is important to check things first with the boss before taking a decision. The results had a mean response of 1.9 with a standard deviation of 1.4. This means that people do not need to seek for consultation from the boss for some of the works allocated.

**Table 5: Descriptive Analysis on Organization Structure**

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std Dev
<b>Formalization</b>							
It is considered extremely important here to follow the rules	8.5%	1.1%	4.9%	40.9%	44.5%	4.1	1.1
People can ignore formal procedures and rules if it helps get the job done	8.2%	4.9%	5.8%	29.1%	51.9%	4.1	1.2
Everything has to be done by the book	11.3%	2.2%	9.6%	37.1%	39.8%	3.9	1.3
It's not necessary to follow procedures to the letter around here	7.4%	7.1%	7.4%	26.4%	51.6%	4.1	1.2
Nobody gets too upset if people break the rules around here	8.0%	5.5%	6.0%	25.5%	54.9%	4.1	1.2
<b>Autonomy</b>							
Management let people make their own decisions much of the time	47.0%	19.5%	5.8%	11.3%	16.5%	2.3	1.5
Management trust people to take work-related decisions without getting people.	46.7%	17.9%	6.0%	10.7%	18.7%	2.4	1.6
People at the top tightly control the work of those below them	55.5%	25.0%	3.3%	1.6%	14.6%	2.0	1.4
Management keep too tight a reign on the way things are done around here	58.5%	22.5%	3.6%	2.2%	13.2%	1.9	1.4
It's important to check things first with the boss before taking a decision	58.8%	22.5%	3.8%	2.2%	12.6%	1.9	1.4
<b>Participation</b>							
Management involve people when decisions are made that affect them	26.1%	8.8%	17.9%	22.0%	25.3%	3.1	1.5
Changes are made without talking to the people involved in them	23.1%	23.6%	18.4%	10.7%	24.2%	2.9	1.5
People don't have any say in decisions which affect their work	27.2%	27.2%	14.6%	7.7%	23.4%	2.7	1.5
People feel decisions are frequently made over their heads	53.8%	22.0%	4.4%	4.4%	15.4%	2.1	1.5
Information is widely shared	28.8%	22.0%	18.1%	21.7%	9.3%	2.6	1.3
There are often breakdowns in communication here	13.7%	46.7%	16.5%	7.7%	15.4%	2.6	1.3
<b>Standardization</b>							
The county has standardized operating procedures	9.6%	3.3%	9.9%	64.6%	12.6%	3.7	1.1
The standardized procedures discourages creativity	14.6%	4.4%	9.1%	59.6%	12.4%	3.5	1.2
One is not free to carry out duties assigned in his/her own way	11.3%	3.3%	9.1%	64.3%	12.1%	3.6	1.1
<b>Average</b>						<b>2.2</b>	<b>1.3</b>

Regarding participation, majority 47.3% agreed that management involve people when decisions are made that affect them. The results had a mean response of 3.1 with a standard

deviation of 1.5. This implies that the management involves the people in decision making. 46.7% disagreed that Changes are made without talking to the people involved in them. The results had a mean response of 2.9 with a standard deviation of 1.5. This implies that the management involves the people in decision making. 54.2% disagreed that People don't have any say in decisions which affect their work. The results had a mean response of 2.7 with a standard deviation of 1.5. The results had a mean response of 2.7 with a standard deviation of 1.5. 75.8% disagreed that People feel decisions are frequently made over their heads. The results had a mean response of 2.1 with a standard deviation of 1.5. 48.8% disagreed that Information is widely shared. The results had a mean response of 2.6 with a standard deviation of 1.3. 60.4% of the respondents disagreed that there are often breakdowns in communication. The results had a mean response of 2.6 with a standard deviation of 1.3. This implies that communication breakdown does not always happen.

Regarding standardization, 77.2% agreed that the county has standardized operating procedures. The results had a mean response of 3.7 with a standard deviation of 1.1. 72% agreed that the standardized procedures discourages creativity. 76.4% agreed that one is not free to carry out duties assigned in his/her own way. This means that the employees are guided by the procedures which have been laid down. Overall, the average mean of the responses was 2.2 which means that majority of the respondents were disagreeing to the statements in the questionnaire. The standard deviation was 1.3 meaning that the responses were clustered around the mean response.

This finding is consistent with that of D'ortenzio (2012) who noted that organizational structure, organizational leadership, organizational environment, and organizational culture contributed to a greater extent towards a change management process. Organizations with bureaucratic structures, poor leadership, unfavorable organization environments and weak organizational culture tend to have highest failure rate during change management. However, it was noted that organizations that exhibited lean structures, strong leadership, conducive organizational environments, and strong organizational cultures tend to manage change more efficiently and had higher success rates of the organizational change process.

#### **4.4.2 Strategic Change Management**

The general objective of the study was to examine the determinants of strategic change management in Mombasa County Government. In pursuing this, the respondents were requested to indicate their levels of agreement on a five point Likert scale. (1 = strongly disagree, 2 = Disagree 3 = Neutral, 4 = Agree, 5 = strongly agree) was used and the mean response rate from the respondents owners calculated. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was neutral. The results of this study are as depicted in Table 6.

Results in Table 6 shows that majority 64.80% (39.80% + 25.00%) disagreed that they examined external trends, issues and problems confronting it. The results had a mean response of 2.3 with a standard deviation of 1.4. Secondly, majority 62.1% disagreed that they identified and discussed actual or potential crises or major opportunities. The results had a mean response of 2.4 with a standard deviation of 1.4. Majority 57.4% agreed that they established an increased sense of urgency around needed change. The results had a mean



response 3.3 with a standard deviation of 1.4. Further, majority 69.80% disagreed that got the group to work together effectively as a team. The results had a mean response of 2.2 with a standard deviation of 1.3.

Majority 58.50% agreed that the leaders created a vision and strategy to help guide the change effort. The results had a mean response of 3.3 with a standard deviation of 1.4. 69.80% disagreed that management ensured that it had a shared vision and strategy. The results had a mean response of 2.2 with a standard deviation of 1.3. 73.10% disagreed that they continuously used every available vehicle to communicate the new vision. The results had a mean response of 2.1 with a standard deviation of 1.3. 72.80% disagreed that the leaders had the leadership team role-model the behavior expected of employees. The results had a mean response of 2.1 with a standard deviation of 1.3. 72% disagreed that Eliminated obstacles to the planned change. The results had a mean response of 2.1 with a standard deviation of 1.3. 59.30% disagreed that Modified systems or structures that undermine the change vision. The results had a mean response of 2.5 with a standard deviation of 1.5 meaning that the responses were clustered around the mean response.

**Table 6: Strategic Change Management**

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Examined external trends, issues and problems confronting it	39.8%	25.0%	5.5%	22.8%	6.9%	2.3	1.4
Identified and discussed actual or potential crises or major opportunities	37.9%	24.2%	5.5%	22.5%	9.9%	2.4	1.4
Established an increased sense of urgency around needed change	16.8%	20.3%	5.5%	41.5%	15.9%	3.2	1.4
Put together a group with enough power to lead the change	15.7%	18.7%	5.5%	42.6%	17.6%	3.3	1.4
Got the group to work together effectively as a team	36.3%	33.5%	6.9%	16.8%	6.6%	2.2	1.3
Created a vision and strategy to help guide the change effort	16.8%	18.4%	6.3%	40.4%	18.1%	3.3	1.4
Ensured that it had a shared vision and strategy	46.2%	23.6%	6.3%	17.0%	6.9%	2.2	1.3
Continuously used every available vehicle to communicate the new vision	48.6%	24.5%	5.8%	15.9%	5.2%	2.1	1.3
Had the leadership team role-model the behavior expected of employees	48.6%	24.2%	6.3%	15.4%	5.5%	2.1	1.3
Eliminated obstacles to the planned change	48.9%	23.1%	6.3%	16.2%	5.5%	2.1	1.3

Modified systems or structures that undermine the change vision	37.6%	21.7%	6.0%	22.5%	12.1%	2.5	1.5
Encouraged reasonable risk-taking and non-traditional ideas and actions	46.7%	25.0%	5.8%	15.4%	7.1%	2.1	1.3
Focused on results rather than activities	31.3%	20.6%	8.8%	23.1%	16.2%	2.7	1.5
Planned for visible short-term improvements in performance (quick "wins")	40.1%	23.4%	7.1%	19.8%	9.6%	2.4	1.4
Visibly recognized and rewarded people who make the wins possible	47.0%	23.6%	7.1%	14.8%	7.4%	2.1	1.3
Monitored and adjusted strategies in response to problems in the change p	48.6%	20.9%	5.5%	17.6%	7.4%	2.1	1.4
Aligned all policies, systems, structures and practices to fit each other	47.0%	21.7%	6.0%	18.1%	7.1%	2.2	1.4
Hired, promoted and developed people who can implement the change vision	43.1%	21.2%	6.0%	20.1%	9.6%	2.3	1.4
Reinvigorated the change process through new projects, themes and change	50.8%	22.5%	4.7%	15.9%	6.0%	2.0	1.3
Articulated the connection between new behaviors and organizational success	51.4%	22.5%	4.7%	15.4%	6.0%	2.0	1.3
Created processes to ensure leadership development and succession	50.0%	23.1%	4.7%	15.9%	6.3%	2.1	1.3
<b>Average</b>						<b>2.4</b>	<b>1.4</b>

Majority 71.70% disagreed that management encouraged reasonable risk-taking and non-traditional ideas and actions. The results had a mean response of 2.1 with a standard deviation of 1.3. 51.9% disagreed that Focused on results rather than activities. The results had a mean response of 2.7 with a standard deviation of 1.5. 63.50% disagreed that there was planning for visible short-term improvements in performance (quick "wins"). The results had a mean response of 2.4 with a standard deviation of 1.4. 70.60% disagreed that management visibly recognized and rewarded people who make the wins possible. The results had a mean response of 2.1 with a standard deviation of 1.3. 69.5% disagreed that there is Monitored and adjusted strategies in response to problems in the change. The results had a mean response of 2.1 with a standard deviation of 1.4. 68.7% disagreed that there is Aligned policies, systems, structures and practices to fit each other. The results had a mean response of 2.2 with a

standard deviation of 1.4 meaning that the responses were clustered around the mean response.

Further 64.3% disagreed that management hired, promoted and developed people who can implement the change vision. The results had a mean response of 2.3 with a standard deviation of 1.4. 73.3% disagreed that management reinvigorated the change process through new projects, themes and change. The results had a mean response of 2.0 with a standard deviation of 1.3. 73.9% disagreed that there was articulated the connection between new behaviors and organizational success. The results had a mean response of 2.0 with a standard deviation of 1.3. 73.10% disagreed that there were created processes to ensure leadership development and succession. The results had a mean response of 2.1 with a standard deviation of 1.3 meaning that the responses were clustered around the mean response.

#### 4.5 Correlation Analysis

Correlation analysis was carried out to detect the association between the dependent variable, strategic change management and organization structure, organization leadership. The mean score for each of the independent variables was calculated and the Pearson's correlation obtained using SPSS. The results in table 7 indicated that organizational structure was positively and significantly associated to strategic change management ( $r=0.838$ ,  $p=0.00<0.05$ ). This finding is consistent with that of D'ortenzio (2012) who noted that organizational structure contributed to a greater extent towards a change management process.

**Table 7: Correlation Analysis**

		Strategic change management	Organizational structure
Strategic change management	Pearson		
	Correlation	1.000	
	Sig. (2-tailed)		
Organizational structure	Pearson		
	Correlation	.838**	1.000
	Sig. (2-tailed)	0.000	

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

#### 4.6 Regression Analysis

This section contains simple regression analysis for organization structure. The statistics in this section include model fitness, Analysis of Variance (ANOVA) tests and regression coefficients.

##### 4.6.1 Regression analysis for Organizational Structure and Strategic Change Management

Regression analysis was conducted between Organizational Structure and Strategic Change Management. The results presented in Table 8 present the fitness of model used of the

regression model in explaining the study phenomena. Organizational Structure was found to be satisfactory in explaining Strategic Change Management. This is supported by coefficient of determination also known as the R square of 0.702. This means that Organizational Structure explains 70.2 % of the variations in the dependent variable which is Strategic Change Management.

**Table 8: Model Fitness for Organizational Structure**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.838	0.702	0.701	0.547073

Table 9 provides the results on the analysis of the variance (ANOVA) for Organizational Structure. The results indicate that the overall model was statistically significant. Further, the results imply that the Organizational Structure is a good predictor of Strategic Change Management. This was supported by an F statistic of 850.875 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

**Table 9: Analysis of Variance (ANOVA) for Organizational Structure**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	254.657	1	254.657	850.875	.000
Residual	108.343	362	0.299		
Total	363	363			

Regression coefficients in Table 10, revealed that there was a positive and significant relationship between Organizational Structure and Strategic Change Management ( $r=0.838$ ,  $p=0.000$ ). This was supported by a calculated t-statistic of 29.170 which is larger than the critical t-statistic of 1.96. This means that a unitary improvement in organization structure leads to an improvement in Strategic Change Management by 0.838 units holding other factors constant.

**Table 10: Regression of Coefficients for Organizational Structure**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-9.23	0.029		0.000	1.000
Organizational structure	0.838	0.029	0.838	29.170	0.000

$$Y = -9.23 + 0.838X$$

Where: Y = Strategic Change Management

X = Organizational Structure

#### 4.6.2 Hypothesis Testing for Organizational Structure

*H<sub>0</sub>: Organizational structure has no significant effect on strategic change management in Mombasa County Government.*

The hypothesis was tested by using simple linear regression and determined using p-value (refer to Table 10). The acceptance/rejection criteria was that, if the p value is less than 0.05, we reject the H<sub>0</sub> but if it is more than 0.05, the H<sub>0</sub> is not rejected. Therefore the null hypothesis is that Organizational structure has no significant effect on strategic change management in Mombasa County Government. Results in Table 10 shows that the p-value was 0.000. This was supported by a calculated t-statistic of 29.170 which is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected. The study therefore adopted the alternative hypothesis that Organizational structure has a significant effect on strategic change management in Mombasa County Government.

Finally, during an interview session with respondents organization rules and procedures existed and respondents acknowledged that they were extremely important. This is because they clearly explained responsibilities, delegation of duties and how work could be performed. Sometimes the bureaucratic procedures could derail the performance of staff. Consultation with the management was the prime decision making organ. Only occasion involving pretty small matters that subordinates were involved in decision making process. This can be attributed to the nature of the decision that has to be made by the respondents' (mainly on policies and sensitivity). Staff can't experiment outside the standard operating procedures, hence no room for discovery of better way of doing things. This could be the reason of enhancing uniformity in implementation of projects in accordance with the set standards.

#### 5.0 Conclusion

Based on the findings, the study concluded that Organizational Structure has a positive and significant effect on Strategic Change Management. In order for an organization to achieve successful change management results, the staff should empower and give authority to junior employees to make decisions that will enable a proper change management process. Delegation has been claimed to influence and enable utilization of employee talent hence to benefit the organization change process. Organizational hierarchy with many management levels make it difficult for change communication to reach the intended recipient in the right time and form without distortion and hence enabling change management.

#### 6.0 Recommendations

The study recommends the County government of Mombasa to focus on organizational structure since it was found to have a positive and significant effect on the strategic change management. This study noted that organizational structure contribute to a greater extent towards a change management process. Organizations with bureaucratic structures tend to have highest failure rate during change management. It was noted that organizations that exhibited lean structures tend to manage change more efficiently and had higher success rates of the organizational change process. Managers have to consider the many factors involved in a complex and dynamic situation before making decisions that implement actions that will influence the effectiveness, efficiency and ultimately the sustainability of their organizations.



In order for an organization to achieve successful change management results, the staff should empower and give authority to junior employees to make decisions that will enable a proper change management process.

## 7.0 References

- Achcaoucaou, F., Bernardo, M., & Bernardo, M. (2009). Determinants of Organisational Structures: An Empirical Study. *Review of International Comparative Management*, 10(3), 566-577.
- Alande, J. O. (2013). Role of Human Resource Management in Devolution of Counties in Kenya. *Scientific Conference Proceedings*, 588-598.
- Al-Qatawneh, M. I. (2014). The Impact of Organizational Structure on Organizational Commitment: A Comparison between Public and Private Sector Firms in Jordan. *European Journal of Business and Management*, 6(12), 30-37.
- Andersson, J., Zbirenko, A., & Medina, A. (2014). *Effect of organizational structure, leadership and communication on efficiency and productivity - A qualitative study of a public health-care organization*. Umeå School of Business and Economics.
- Anggraeni, D. (2014). The Effect Of Policy Implementation Of Bureaucracy Reform And The Organizational Development To The Public Service Quality In The Ministry Of Home Affairs. *International Journal of Social Sciences*, 24(1), 1-22.
- Balogun, J., & Hailey, V. H. (2008). *Exploring Strategic Change* (Illustrated, Revised ed.). (J. Balogun, & V. H. Hailey, Eds.) Harlow: FT Prentice Hall Financial Times.
- Belias, D., & Koustelios, A. (2014). The Impact of Leadership and Change Management Strategy on Organizational Culture. *European Scientific Journal*, 10(7), 451-470.
- By, R. T., & Macleod, C. (2012). *Managing Organizational Change in Public Services: International Issues, Challenges and Cases* (2nd ed.). London & New York: Routledge.
- Cabrey, T. S., Haughey, A., & Cooke-Davies, T. (2014). *Enabling Organizational Change Through Strategic Initiatives*. Project Management Institute, Inc.

- Chen, C.-J., Huang, J.-W., & Hsiao, Y.-C. (2010). Knowledge management and innovativeness: The role of organizational climate and structure. *International Journal of Manpower*, 31(8), 848 - 870.
- Chepkemoi, N., & Moronge, M. (2015). Challenges Hindering Effective Strategic Change Management In Counties In Kenya: A Case Of Nairobi County. *Strategic Journal of Business & Change Management*, 2(2(109)), 1672 – 1718.
- Collm, A., Schedler, K., & Rüegg-Stürm, J. (2011). *Adapting Managerial Practices for Strategic Change*. Dissertation no. 3880, University of St. Gallen, School of Management, Economics, Law, Social Sciences and International Affairs.
- County Goverment of Mombasa. (2013). *County Integrated Development Plan*. Mombasa County Government, Mombasa.
- D'Ortenzio, C. (2012). *Understanding change and change management process: A case study*. PhD Thesis, University of Canberra, Canberra, Australia.
- Darus, A. H., Noor, S. A., & Abidin, Z. Z. (2014). Transformational Leadership Style and Knowledge Management among University Administrators in Malaysia: Examining the Moderating Effect of Organizational Structure. *International Journal of Economic Research*, 11(2), 417-434.
- Degnegaard, R. (2010). *Strategic Change Management: Change Management Challenges in the Danish Police Reform*. PhD Series 7.2010, Copenhagen Business School, Doctoral School of Organisation and Management Studies (OMS), Frederiksberg, Danmark.
- Elsaid, N. M., Okasha, A. E., & Abdelghaly, A. A. (2013). Defining and Solving the Organizational Structure Problems to Improve the Performance of Ministry of State for Environmental Affairs - Egypt. *International Journal of Scientific and Research Publications*, 3(10), 1-10.
- Hill, C., Schilling, M., & Jones, G. (2016). *Strategic Management: Theory: An Integrated Approach* (12 ed.). Cengage Learning.
- Hitt, M., Ireland, R. D., & Hoskisson, R. (2016). *Strategic Management: Concepts and Cases: Competitiveness and Globalization* (12th ed.). Cengage Learning.

- Hornstein, H. (2010). Successes and potential obstacles to change management in the public service. *Ivey Business Journal*( November / December 2010).
- Hughes, M. (2011). Do 70 Per Cent of All Organizational Change Initiatives Really Fail? *Journal of Change Management*, 11(4), 451-464.
- Kalyani, M., & Sahoo, M. P. (2011). Human Resource Strategy: A Tool of Managing Change for Organizational Excellence. *International Journal of Business and Management*, 6(8), 280-286.
- Kombo, B. W., Obonyo, G. O., & Oloko, M. (2014). Effects of Delegation on Employee Performance in Savings and Credit Cooperative Societies in Kisii County, Kenya. *The International Journal Of Business & Management*, 2(7), 203-215.
- Kuipers, B., Kickert, W., & Higgs, M. (2013). *Multi-Levels, Multi-Facets and Multi-Actors in Changing Public and Private Organizations*. Retrieved January 14, 2016, from Netherlands Insitute of Governement: <https://www.utwente.nl/nig/research/archive/2013/panels/panel07/>
- Liu, Y. (2009). Analysis and Evaluation of Organizational Change Approaches. *International Journal of Business and Management*, 4(12), 234-238.
- Lunenburg, F. C. (2012). Organizational Structure: Mintzberg's Framework. *International Journal Of Scholarly, Academic, Intellectual Diversity*, 14(1), 1-8.
- Lunenburg, F., & Ornstein, A. (2011). *Educational Administration: Concepts and Practices* (6th ed.). Cengage Learning.
- Lynch, R. (2009). *Strategic Management*. Harlow: Pearson Education.
- Mabert, V. A., Soni, A., & Venkataramanan, M. A. (2003). Enterprise resource planning: Managing the implementation process. *European journal of operational research*, 146(2), 302-314.
- Martinez-Leon, I. M., & Martinez-Garcia, J. A. (2011). The influence of organizational structure on organizational learning. *International Journal of Manpower*, 32(5/6), 537-566.

- Mintzberg, H. (1984). *Structure in Fives: Designing Effective Organizations* (Illustrated, Reprint ed.). Prentice Hall PTR.
- Mugambi, K. W., & Theuri, F. S. (2014). The Challenges Encountered By County Governments In Kenya During Budget Preparation. *IOSR Journal of Business and Management (IOSR-JBM)*, 16(2 Ver. 1), 128-134.
- Mulaki, A., & Williamson, T. (2015). *Restructuring County Department of Health: Mombasa County Case Study*. Washington, DC: Health Policy Project.
- Murithi, F., Njeru, P., Chege, J., Muluvi, A., Odhiambo, P., Otieno, M., et al. (2013). Devolution is more than “Equitable” Sharing of National Resources. *KIPPRA Policy Monitor*, 6(1).
- Naghibi, M. A., & Baban, H. (2011). Strategic change management: The challenges faced by organizations. *International Conference on Economics and Finance Research*, 4, 542-544.
- Namoso, O. (2013). *Challenges Affecting Organizational Change Management in the Kenya Police Service in Mombasa County*. Master's Thesis, Kenyatta University, School of Business.
- Nyachae, C. (2015). *Despite the challenges, devolution on course to deliver aspirations of Kenyans*. Retrieved January 24, 2016, from Nation Media Group: <http://www.nation.co.ke/oped/Opinion/Devolution-Constitution-CIC-Chairman-Charles-Nyachae/-/440808/2692920/-/sss8diz/-/index.html>
- Obudo, D., & Wario, G. (2015). Factors Influencing Management of Change in Public Sector in Kenya. *The Strategic Journal of Business & Change Mananagement*, 2(28), 546-560.
- Rajapakse, T. (2015). *Managing Complex Change for Sustainable Rural Transformation; Case of Saemaul Undong of Korea*.
- Rees, G., & Hall, D. (2013). Managing Change. In G. Rees, & R. French, *Leading, Managing and Developing People* (pp. 102-126). CIPD.
- Saunders, M. L., & Lewis, P. (2009). P. & Thornhill, A.(2009). *Research methods for business students*, 4.

- Situma, E., & Kitiabi, R. (2012). *Change Management Challenges Facing Devolution of Government at Kakamega Municipal Council*. Thesis, University of Nairobi, School of Business, Nairobi.
- Stoyanova, T., & Hejndorf, S. M. (2011). *Strategic Change Management and the Use of Internal Communication: The case of HP*. Master's Thesis, University of Aarhus, Department of Language and Business Communication.
- Van der Voet, J. (2013). The effectiveness and specificity of change management in a public organization: Transformational leadership and a bureaucratic organizational structure. *European Management Journal*, 1-10.
- Wamae, J. W. (2014). Role of Procurement Function in Enhancing Performance in Devolved Government: A Case of Machakos County. *International Journal of Social Sciences and Entrepreneurship*, 1(11), 168-190.
- Wambua, K. C., & Kiruthu, Z. N. (2014). *Decentralization of Government Operations and Service Delivery Performance by County Governments in Kenya*. Master's Thesis, University of Nairobi, School of Business, Nairobi, Kenya.
- World Bank. (2012). *Devolution without disruption – Pathways to a successful new Kenya: Executive Summary*. Kenya Fiscal Decentralization Knowledge Programme. Washington DC: The World Bank Group.
- Yamane, T. (1967). *Statistics, An Introductory Analysis* (2nd ed.). New York: Harper and Row.
- Zakrzewska-Bielawska, A. (2008). *Organizational Design in the Enterprise Development Process*. (P. Wodziński, & J. Lewandowski, Eds.) Politechnika Łódzka.