Effect Of Strategic Change On A Firm’s Performance In The Energy Industry In 
Kenya: A Case Of Schneider Electric Kenya Limited

by

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A thesis submitted to the School of Business and Economics 
of
Daystar University

Nairobi, Kenya

In partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

in Strategic Management

May 2018
APPROVAL

EFFECT OF STRATEGIC CHANGE ON A FIRM’S PERFORMANCE IN THE ENERGY INDUSTRY IN KENYA: A CASE OF SCHNEIDER ELECTRIC KENYA LIMITED.

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I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

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ACKNOWLEDGEMENTS

I would like to appreciate my supervisors, Mrs. Dorcas Mwamba and Dr. Dancan Irungu, who played a major role in making this thesis a reality through their support and firm professional guidance. Their expansive knowledge on graduate writing and strategic management, their commitment and positive criticism have greatly enriched this research.

I would also like to thank Schneider Electric Kenya Limited management for allowing me to use their available data in my thesis and coursework for my MBA program. I appreciate my family and friends for the support they have given me and for proof reading my work. I am grateful to my husband, Mr. Apolinaris Wafula, for the daily encouragement and support through this period. I thank the Almighty God for giving me the enablement to go through this period and do my thesis successfully.
# TABLE OF CONTENTS

APPROVAL ........................................................................................................................................ ii
DECLARATION ..................................................................................................................................... iv
ACKNOWLEDGEMENTS ................................................................................................................ vi
TABLE OF CONTENTS .................................................................................................................... vi
LIST OF TABLES .......................................................................................................................... viii
LIST OF FIGURES ........................................................................................................................ ix
LIST OF ABBREVIATIONS AND ACRONYMS ............................................................................... x
ABSTRACT .......................................................................................................................................... xi
CHAPTER ONE ...................................................................................................................................... 1
INTRODUCTION AND BACKGROUND TO THE STUDY ..................................................................... 1
  Introduction ........................................................................................................................................ 1
  Background to the Study ................................................................................................................... 2
  Statement of the Problem .................................................................................................................. 8
  Purpose of the Study ........................................................................................................................ 10
  Objectives of the Study .................................................................................................................... 10
  Research Questions ........................................................................................................................ 10
  Justification of the Study ................................................................................................................. 10
  Significance of the Study ................................................................................................................. 11
  Assumptions of the Study ............................................................................................................... 11
  Scope of the Study .......................................................................................................................... 11
  Limitations and Delimitations of the Study .................................................................................... 12
  Definition of Terms ......................................................................................................................... 12
  Summary ........................................................................................................................................... 13
CHAPTER TWO ..................................................................................................................................... 14
LITERATURE REVIEW ..................................................................................................................... 14
  Introduction ...................................................................................................................................... 14
  Theoretical Framework .................................................................................................................. 14
  General Literature Review ............................................................................................................ 18
  Empirical Literature Review ........................................................................................................ 27
  Conceptual Framework ................................................................................................................ 29
  Summary ........................................................................................................................................... 30
CHAPTER THREE .................................................................................................................................. 32
RESEARCH METHODOLOGY ........................................................................................................... 32
  Introduction ...................................................................................................................................... 32
  Research Design ............................................................................................................................ 32
  Population ....................................................................................................................................... 33
  Target Population .......................................................................................................................... 33
  Sample Size .................................................................................................................................... 34
  Sampling Techniques .................................................................................................................... 35
  Data Collection Instruments ......................................................................................................... 35
  Data Collection Procedures .......................................................................................................... 36
  Pretesting ......................................................................................................................................... 37
  Validity and Reliability of Data ..................................................................................................... 37
  Data Analysis Plan ........................................................................................................................ 38
Ethical Considerations................................................................................................... 39  
Summary ...................................................................................................................... 39 
CHAPTER FOUR ............................................................................................................. 40  
DATA PRESENTATION, ANALYSIS AND INTERPRETATION ........................................... 40  
Introduction .................................................................................................................. 40  
Presentation, Analysis and interpretation................................................................. 40  
Summary of Key Findings ............................................................................................... 71  
Summary ...................................................................................................................... 73 
CHAPTER FIVE .............................................................................................................. 74  
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS ........................................ 74  
Introduction .................................................................................................................. 74  
Discussion of Key Findings .......................................................................................... 74  
Conclusion .................................................................................................................... 82  
Recommendations .......................................................................................................... 84  
Areas for Further Research ........................................................................................... 86  
REFERENCES ................................................................................................................ 87  
APPENDICES ................................................................................................................ 91  
Appendix A: Questionnaire ........................................................................................... 91  
Appendix B: Interview Questions ................................................................................. 96  
Appendix C: Research Permit ....................................................................................... 97  
Appendix D: Research Authorization .......................................................................... 98  
Appendix E: Anti-plagiarism Report .......................................................................... 99  
Appendix F: Ethics Review ........................................................................................... 100
LIST OF TABLES

Table 3.1: Target Population ........................................................................................................ 34
Table 3.2: Sample Size .................................................................................................................. 35
Table 4.1: Response Rate ............................................................................................................. 40
Table 4.2: Gender of the Respondents ......................................................................................... 42
Table 4.3: Age Brackets of the Non-Top Management Respondents ........................................ 42
Table 4.4: Highest Level of Education of the Non-Top Management Respondents ................. 43
Table 4.5: Working Experience of Non-Top Management .......................................................... 44
Table 4.6: Working Experience of Top Management ................................................................. 44
Table 4.7: Category of the Respondents ....................................................................................... 45
Table 4.8: Strategic Changes Adopted by Schneider Electric Kenya Limited ......................... 46
Table 4.9: Strategic Change Components Applied in SEKL ...................................................... 49
Table 4.10: Rating the Performance of SEKL ............................................................................. 54
Table 4.11: Effect of Restructuring on the Performance of SEKL ............................................. 58
Table 4.12: Effect of System/ Process Change on Performance ............................................... 60
Table 4.13: Effect of Corporate Culture Change on Performance ............................................. 61
Table 4.14: Correlations between Strategic Change and Performance of SEKL ....................... 64
Table 4.15: Model Summary ....................................................................................................... 65
Table 4.16: ANOVA Test Results ............................................................................................... 66
Table 4.17: Regression Coefficients ............................................................................................ 66
Table 4.18: Challenges faced in SEKL during the Implementation of Strategic Changes .......... 69
Table 4.19: Effect of Communication and Training ................................................................. 70
LIST OF FIGURES

Figure 2.1: Conceptual Framework ................................................................. 30
## LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CNC</td>
<td>Computer Numeric Controlled</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>ETO</td>
<td>Engineering to Order</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>NACOSTI</td>
<td>National Commission for Science, Technology and Innovation</td>
</tr>
<tr>
<td>PTL</td>
<td>Power Technics Limited</td>
</tr>
<tr>
<td>SE</td>
<td>Schneider Electric</td>
</tr>
<tr>
<td>SEKL</td>
<td>Schneider Electric Kenya Limited</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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ABSTRACT

Kenyan industries in the recent years have been facing a growing number of challenges that threaten their growth. Dynamism in the local and global environment has been the leading cause of these growing challenges. In this regard, firms in the energy industry have not been spared. Companies develop and implement strategies that enable them to counter the challenges, increase market share and growth. This study’s main objective was to determine the effect that strategic change has on the performance of firms in the energy industry in Kenya. The study adopted a descriptive research design. Questionnaires and interviews were used to collect data. The target population was 242 employees of SEKL. Data was analyzed using Statistical Package for Social Sciences (SPSS) and presented using tables and figures. The study established that restructuring, process or systems change, corporate culture change and management change were the key strategic changes implemented in SEKL. The study also established that SEKL measured its non-financial performance through employee satisfaction, internal processes’ efficiency and effectiveness, and growth and learning. The research concluded that strategic change had a positive effect on the performance of SEKL. The study recommends that SEKL, now being a MNC, should measure its performance globally and in terms of market share, that SEKL does thorough preparation of the change process through training and establishing effective communication channels and identifying the key areas that can pose challenges in the organizational change process.
CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

Introduction

Change, in this dynamic business world, is inevitable and it can vary in complexity from the introduction of relatively small changes into some business unit to a total transformation of the organization’s strategies and structure. Organizational change is the alteration of activities in an organization (Kotter, 2008). Cummings and Worley (2005) stated that it involves moving to the unknown from the known. Change causes the future to be uncertain and may adversely affect a firm’s performance if not managed effectively. Organizations are required to adopt strategic change aspects to be able to survive in this dynamic business world. To achieve strategic change in an organization, parallel management of many different change initiatives should be managed (Macmillan & Tampoe, 2000).

Organizations desire positive results in their performance even as they adopt strategic change. Barney (2002) explained that a firm’s performance can be looked at in different ways such as fulfilment of economic goals, operational effectiveness, corporate reputation and even organizational survival. For an organization to perform well, it must be efficient in minimizing its costs, excellent in the quality of its offerings, and must offer flexibility and value to its customers. Organizational performance can be measured using the financial and the non-financial aspects; the non-financial aspects are internal business processes, growth and learning, human resource and the environmental perspective (Kaplan, 2010).
Background to the Study

There are several strategic changes that organizations can consider in order to have positive effect on their performance. Strategic change is about blending management, culture, leadership, structure and process to create a new service or revise the existing capability of the organization so that it fits the new strategic intent of the business. At the heart of strategy implementation process lies strategic change management (Macmillan & Tampoe, 2000).

Strategic Change

Strategic change originates from internal and external environments that affect firms’ operations, business relationships, technological changes and employee factors (Lynch, 2006). The nature and extent of change determine the types of strategic change (Johnson, Scholes, & Whittington, 2008). Realignment, transformation, incremental and big bang approaches determine whether a change would be an adaptation, an evolution, a reconstruction or a revolution (Johnson et al., 2008)

The management of strategic change entails motivating change, creating a vision describing the core ideology, sustaining momentum, developing political support from key stakeholders for the change and managing the transition. Organizational transitions tend to be ambiguous and to create a need for direction. This necessitates creation of special structures for managing the change process. The management structures should include people who have skills to guide the change and those with the power to mobilize resources to promote the change (Cummings & Worley, 2005). Managing change initiatives is key to the achievement of strategic change in an organization.
Firm Performance

Firm performance is imperative in the determination of how organizations implement strategic change. As brought out by Barney (2002), the different dimensions of firm performance as mentioned above are considered by different organizations. Firm performance can be determined using non-financial and financial measures. Return on Investment, profit, and market value are some of the examples of financial measures of performance. Most firms only use the financial measures to determine their performance. However, Kaplan (2010) expounded that non-financial aspects like internal processes, growth and learning, on-time delivery, quality, employee satisfaction and customer perspective are key in determining a firm’s performance.

The balanced scorecard is one of the most common performance measurement tools. It is based on four distinct perspectives which are designed to cover activities of the entire firm internally and externally as well as current and future. Kaplan and Norton (1996) discussed the financial, customer, employee, internal process and learning and growth perspectives of performance measurement of a firm. Financial perspective specifies whether the transformation of a strategy improves economic success by defining the economic performance that a strategy is expected to attain.

Customer perspective defines the market segments in which the business competes. The customer value preposition is represented in the customer perspective by means of appropriate strategic objectives, measures and targets that will enable the firm to achieve a competitive advantage in the predicted market segments. Internal process perspective recognizes the internal business processes that enable the firm to meet the expectations of the firm’s shareholders as well as those of their customers in the target
markets. Lastly, learning and growth perspective describes the infrastructure that is needed in order to attain the objectives of the other three perspectives (Kaplan & Norton, 1996).

The purpose of the balanced score card is to balance financial and non-financial measures (Kaplan & Norton, 1996). It is a strategic management tool that can be used by managers to control and to monitor the consequences of the execution of activities by the staff. The use and development of financial measures of performance has been given a lot of attention in most firms. It is important for organizations to put to consideration the non-financial measures of performance. The non-financial measures work well at operational level of an organization (Otley, 2007).

Strategic Change and Firm Performance

According to Armstrong (2009), in change management, for a firm to be responsive to the dynamic external environment, it needs change management plans and strategies formulation within the context of overall organizational objectives and strategies. Strategic change affects firm performance. Firm performance can be measured using financial indicators, customer satisfaction, growth and training and internal business processes (Kaplan, 2010). Strategic change components include leadership style, culture, management, organizational structure and internal processes (Macmillan & Tampoe, 2000).

According to Tichy (1953), strategic change includes the technical dynamics which is as a result of production problem, political dynamics which is as a result of allocation of power and resources and cultural dynamics which results from the values needed to be held by the people. Macmillan and Tampoe (2000) discussed similar
strategic change components except for internal processes. This study adopted the transformation of organizational structure, internal processes, leadership change and organizational culture as the strategic changes that occurred in SEKL.

Several measures can be used to determine the performance of firms. However, for this study, three non-financial measures was used; internal processes, employee satisfaction and growth and learning (Becker, Huselid, & Ulrich, 2001). These measures have been selected for the following reasons. As pertains employee satisfaction, people are crucial in the overall performance of the firm. There is a link between people, strategy and the performance of a firm. Higgins (2005) focussed on the internal capabilities of an organization in relation to firm performance and strategy implementation. The internal processes of a firm can be used a strategic measure with the intention of gaining competitive advantage and hence improving firm performance. The three measures of performance are linked to customer satisfaction.

Different studies have been done and it has been found that large-scale transformational success demands more than strategic and tactical plans. Comprehensive strategy-based transformation approach entails engaging the top and leading the change, breaking barriers and cascading down and mobilizing and creating ownership of the change (Aguirre, Neilson, & Andrew, 2004).

Energy Industry in Kenya

In the energy industry, there are opportunities opening up with regards to development of oil reserves and plans of expansion of electricity generation. Donnelly (2015) stated that Kenya is open for business in the energy sector but the international investors are required to link with local companies in the country to exploit these 5
opportunities. With this in mind, many multinational companies have partnerships with, mergers and some have even acquired local firms for them to be able to access the energy opportunities in Kenya. Acquisition is one of the corporate strategies used by MNCs to penetrate to Kenya and achieve better performance. The desire to gain competitive advantage, the quest for superior capability and because of principal-agent problems, among corporate level strategies, mergers and acquisitions have become popular (Rothaermel, 2013). Partnerships and acquisitions are some of the strategies used by companies seeking growth.

Firms are expected to perform highly after acquisition (Donnelly, 2015). Many companies have however been reported to have failed to meet the expected synergy value of acquisition. Critical factors of success and failure of acquisitions have been identified through extensive literature review and executive interviews with key personnel involved in acquisition exercises. One of the factors is corporate culture integration. Idrisa, Wahabb, and Jaaparc (2014) developed a conceptual framework to describe its relationship with organizational performance.

Five important change management points can be considered during acquisitions to make the transition a success: First, it is important for an organization to have a high focus on change management during acquisitions, otherwise, all the objectives and strategies will fail (Lund & Whitt, 2017). Secondly, the change management effort should be initiated at the earliest stage possible to enable the people to prepare for the change. Thirdly, a cultural due diligence should be performed to help mitigate cultural clashes and poor human integration and to create an understanding of the companies involved in the process. Afterwards, a common platform is created for the involved
organizations to share the change management effort. This helps to ease communication. Lastly, the use of change verification is required whereby the measurements, ownership, follow-up and actions of the involved teams to set in their biggest opportunities and challenges (Lund & Whitt, 2017).

Partnerships, acquisition, and strategic changes have enabled multinational companies like Schneider Electric to be able to access the East African market through its acquisition of a local company, Power Technics Limited (Wokabi, 2015). Other multinational companies operating in Kenya in the energy industry are ABB, Iberdrola and General Electric.

**Schneider Electric**

Schneider Electric is a multinational company operating in Kenya. Schneider Electric acquired Power Technics Limited (PTL) in 2015, and it became Schneider Electric Kenya Limited. PTL was a local Kenyan electrical engineering company established in 1982 (Wokabi, 2015). PTL provided integrated solutions with its core activity in electrical engineering technology, superior sheet metal manufacturing technology, automation and systems. PTL was a leader in the local electrical engineering industry and has played the role of a pacesetter, by being the first to acquire and use computer numeric controlled (CNC) machines. PTL was among the first electrical engineering companies to get certified in quality management systems, ISO 9001:2000 in 2003 and in environmental management systems, ISO 14001:1996 in 2004 (Power Technics Ltd, 2005).

Up to 2015, the scope of PTL business was manufacturing and assembly of control panels, switchboards, motor control centres, cable support systems, street lighting
columns, luminaries and network cabinets, using CNC technology and powder coating systems to international standards (Power Technics Ltd., 2005). PTL was a partner to Schneider Electric (SE). PTL used to supply Schneider Electric’s products locally. After the acquisition, all the solutions that PTL used to offer were taken over by SEKL.

Since 1836, the stages of acquisition led Schneider at Le Creusot from the Masters of Steel Foundries to the leader in automation and electricity management. By acquiring firms with complementary competencies in the energy management, Schneider Electric has expanded over the last few years in the industry. Schneider Electric is one of the leading manufacturers of industrial control, automation and electrical distribution equipment with many international brands like Telemecanique, Square D and Merlin Gerin. In 2014, Schneider Electric through one acquisition and two disposals optimized its offer portfolio (Schneider Electric, 2015).

In its strategy, SE has incorporated change management through new company programs structured to deliver more value to shareholders and customers. According to the company registration document, Schneider Electric (2015), there is a five-year company program initiative for 2015-2020 which, in the deployment of the firm’s strategy, is a major step (Schneider Electric, 2015).

Statement of the Problem

Business organizations globally are facing many challenges in their quest for profitability and growth. Dynamism in the business environment brings about the need for organizations to consider strategic change. To survive in business and be profitable, there is need for development of strategies that enable them to be in line with the changing environment. However, according to Ye, Marinova, and Jagdip (2007), 8
organizations experience unexpected gain or loss in performance upon implementation of strategic change.

Past studies had been done on the effect of strategic change on firm performance in different industries. For instance, Atieno and Kyongo (2017) researched on the effects of strategic change on the performance of Kenya Wildlife Service while Habile (2016) did a study on the effects of strategic change on organizational performance for Kenyan mobile firms and concentrated on financial performance. Atieno (2009) researched on the strategic change management on the performance of Airtel Kenya while Ndahiro, Shukla and Oduor (2015) analyzed the correlation between change management and the performance of government institutions. However, these studies were conceptualized differently and different aspects of strategic change and firm performance have been operationalized in different contexts. The researchers also recommended that more studies should be done for different aspects of strategic change and for organizations in different industries.

Organizations, in a bid to gain sustainable competitive advantage, are partnering with and acquiring companies in Kenya and implementing strategic changes (Wokabi, 2015). It was important to find out the effect of strategic changes on the performance of such firms in the energy industry in Kenya and the challenges of implementing the strategic changes. SEKL, now operating in East Africa is undergoing strategic changes as a result of acquisition. It was imperative to find out the effect of these strategic changes on its performance and the challenges it is going through as a result of strategic change implementation. Thus the need for this study.
Purpose of the Study

The purpose of this study was to establish the effect of strategic change on a firm’s performance in the energy industry in Kenya.

Objectives of the Study

1. To identify the strategic changes adopted by Schneider Electric Kenya Limited.
2. To establish how Schneider Electric Kenya Limited measured its non-financial performance.
3. To assess the effect of the strategic changes adopted on the performance of Schneider Electric Kenya Limited.
4. To identify the challenges experienced by Schneider Electric Kenya Limited in the implementation of strategic change.

Research Questions

1. What were the strategic changes adopted by Schneider Electric Kenya Limited?
2. How did Schneider Electric Kenya Limited measure its non-financial performance?
3. How did the strategic changes adopted affect the performance of Schneider Electric Kenya Limited?
4. What were the challenges experienced by Schneider Electric Kenya Limited in the implementation of strategic change?

Justification of the Study

Although studies had been conducted on strategic change and the effect of change management on firm performance, the author had not come across any that has addressed firm performance in the energy industry in Kenya. Despite the increasing rate of
development and implementation of change strategies and the growing need of high performance of firms in this industry, no study had been conducted in Kenya to address this; therefore, there was a gap. It was also important to find out the challenges of managing strategic changes in firms in this industry. Therefore, there was need to come up with a specific study that addresses this and hence the motivation for this study.

Significance of the Study

This research was important as it would give the researcher an insight on the effect that strategic change has on a firm’s performance, particularly the energy industry. Schneider Electric and other engineering firms would utilize the results to guide them in strategically planning for and improving their change processes. The reason for carrying out this research was to add to the existing body of literature. This would enable future researchers and scholars to use the results as a source of reference and it would also stimulate their interest for further research.

Assumptions of the Study

This research was conducted with the assumption that all the respondents would be willing and able to give true and adequate information in response to the questionnaires and interviews, the respondents would be objective and the study would have a positive effect on the firm. The study also assumed that the company has implemented strategic change.

Scope of the Study

This study focussed on strategic change and its effect on the performance of a firm. It was undertaken at Schneider Electric Kenya Limited. The target population was 242
SEKL employees based in Nairobi. The employees consisted of top, middle and lower level management, and general employees from different departments in SEKL.

Limitations and Delimitations of the Study

The researcher, being an employee of Schneider Electric, might have failed to be objective in carrying out the research. This might have had a risk of affecting the findings. To mitigate this, the researcher restricted herself to the responses of the respondents and to maintaining high level of integrity. The researcher in addition to this engaged a research assistant in the collection of primary data. The researcher trained the assistant before commencement of data collection.

Some of the information sought for by the researcher was confidential and sensitive. This could have caused the respondents to fear giving truthful information. The solution to this was that the researcher guaranteed confidentiality and ensured that the questionnaires carried no information that can easily be traced back to the respondents.

Definition of Terms

*Effect*: The result of a particular influence.

*Strategy*: It is the long-term scope and direction of an organization that help the organization to gain competitive advantage and aim at fulfilling the expectations of stakeholders (Johnson, Scholes, & Whittington, 2008).

*Strategic Change*: It is the change in the content of an organization’s strategy in the context of its scope, competitive advantage, deployment of resources and synergy (Burnes, 2004).
Change Management: It is the process of achieving smooth implementation of change. It is aimed at helping employees to accept and embrace changes in their business environment (Armstrong, 2009).

Strategic Change Management: Is the process of blending management, leadership, process, culture, and structure to create a new service or revise the existing capability of the organization so that it fits the new strategic intent of the business (Macmillan & Tampoe, 2000).

Acquisition: Is the purchase or hostile takeover of a company by another company (Rothaermel, 2013).

Firm Performance: Is the fulfilment of economic goals, corporate reputation, operational effectiveness and organizational survival (Barney, 2002).

Summary

This chapter covered the introduction and background information of the study, the statement of the problem, the research objectives and questions, the rationale and significance of the study. It also defined the scope, assumptions, limitations and delimitations of the study and finally the definition of key terms. The following chapter looks at the literature review and the theoretical framework of the study as presented by other researchers and scholars.
CHAPTER TWO
LITERATURE REVIEW

Introduction

This chapter looks at the body of knowledge on strategic change and firm performance. The literature reviewed included journals, dissertations, reports and books. Literature review involves the identification, location and analysis of documents that contain information that is related to the study being undertaken (Mugenda & Mugenda, 2003). This study reviewed theoretical framework, explaining the theories that guide the research. The researcher then reviewed the general literature relating to strategic change and performance of firms. The empirical review of what other researchers have done then followed suit and finally the conceptual framework, to depict the relationship of the dependent, moderating and independent variables.

Theoretical Framework

This research was guided by four theories namely: Lewin’s change theory, Lippitt’s change theory, theory of reasoned action and planned behavior and Kotter’s theory. These theories enhance the understanding of change and change management. Change in organizations has two dimensions: business and people dimension. It is imperative to balance both dimensions to go through a transformation as an organization successfully.

Lewin’s Change Theory

The change theory was introduced by Lewin in 1947. He viewed behaviour as a dynamic force of balances working in opposite directions. The theory helps to shift the balance of these forces in the direction of planned change. The change theory entails
unfreezing the status quo; this involves dismantling the things that support the previous
behaviour in readiness to learn new behaviour (Schein, 1995). According to Cummings and
Worley (2005), unfreezing is sometimes accomplished through psychological
disconfirmation. After unfreezing, change is introduced gradually or drastically. It shifts
the behaviour of the organization. Such changes need to be planned. Finally, the new
behaviour is reinforced both formally and informally. This is referred to as refreezing.
Refreezing takes place after the change implementation; to sustain it. The theory
illustrates the effects of the forces that either promote or inhibit change. For change to be
successful, the combined strength of one force should be greater than the forces opposing
(Schein, 1995).

Lewin’s theory according to Hossan (2015) can be relevant when organizations
are going through incremental and isolated changes. It can be used to explain an
individual’s or a group’s behaviour during the change process. Lewin’s change theory is
useful for organizations whose management is top-down. Lewin’s theory is goal oriented
and rational (Kritsonis, 2004). There is more to the strategic change process considering
the dynamic business world, increased competition and more information flow and
knowledge among employees. Sometimes getting rid of the old behaviour or culture of an
organization is difficult and so, more planning and additional effort should be put so as to
make change process successful.

Lippitt’s Change Theory

In extending Lewin’s change theory, Lippitt, Watson, and Westley (1958) created a
change theory that focuses more on a change agent’s responsibility and role. According to
this theory, change management is achieved through diagnosis of the problem, 15
assessment of the motivation, capacity to change, resources and the motivation of the change agent. After the assessment, the strategies are established, followed by the role of the change agent being selected and understood by all stakeholders. The essential elements for maintaining the change as defined by this theory are communication, feedback and group co-ordination. The final step is the gradual withdrawal of the change agent after a successful transition (Kritsonis, 2004).

The use of change agents, communication, feedback and group co-ordination is key in ensuring successful transition in an organization. Communication and feedback enable the people to know what to expect and to give their opinions and suggestions with regards to the change process (Kritsonis, 2004). For instance, communication to employees beforehand about restructuring of the organization and the effort to help them understand that the change is for their good and the good of the company at large, reduces the chances of the change being resisted by employees. Also, the appointment of a change agent who will lead the change and ensure its success creates a responsibility and hence increases the chances of successful strategic change. The Lippit’s theory in this regard is key in organizational change.

The Theory of Reasoned Action and Planned Behaviour

The theory of reasoned action states that a given behaviour’s individual performance is primarily determined by the person’s intention to perform that behaviour. An individual’s attitude towards a desired behaviour and the influence of the person’s social environment are the key factors that shape an individual’s attention. For change to occur, the individual’s attitude ought to be positive. The person’s social environment
includes the beliefs of their peers, what they believe the individual should do and the individual's motivation to meet the expectations of their peers (Kritsonis, 2004).

The Theory of Planned Behavior proposes that the determinants of behavior are primarily an individual’s behavioral intention and perceived control of the behavior. According to the theory of planned behavior, behavioral intentions are framed as one’s conscious plan to exert effort to perform the target behavior (Nisson & Earl, n.d.). It entails perceived control over the resources, skills and opportunities necessary to perform the desired behavior. The concepts of perceived behavioral control and that of self-efficacy are similar. Perceived behavioral control over resources, skills and opportunities necessary to perform a behavior is an important aspect of the behavioral change process (Kritsonis, 2004).

The theory of reasoned action and planned behavior is vital in the change process. It can be applied to people dimension of change that has to deal with the employees of a firm. However, it may be limiting the category of business dimension change. In as much as people’s intention to perform a certain change action and their perceived control over resources, skills and opportunities necessary to implement change is key, there are other aspects of change and managing change like training and communication that can cause the people to be aligned to the change (Kritsonis, 2004).

Kotter’s Theory

Kotter’s theory states that change typically begins with establishing a sense of urgency. This happens when people notice the vulnerability in an organization and the thought causes them to spark into action. The leadership creates urgency to spark action. A powerful guiding coalition of respected leaders is formed after establishing a sense of
urgency. These leaders ought to understand what is happening. A vision is then created to build the future’s picture in the peoples’ mind post the adoption of change. The vision is then communicated to the rest of the organization (Kotter, 1996).

After communication of the vision, the people are empowered to act on it; some considerations are made to free up key people from some of their existing responsibilities so that they can put all their effort and concentration on the change. Short-term wins are then planned for and created. This helps to maintain a high urgency level. Celebration of such short-term wins is encouraged after every successful transformation. Consolidation of improvements and sustenance of the momentum for change is then encouraged and lastly, the new approaches are institutionalized to root new behaviour (Kotter, 1996).

Kotter’s step by step theory is easy to follow and to incorporate in strategic change. However, if any step is missed, it could affect the success of the change process. Kotter’s theory is imperative in management of strategic change as it covers all critical aspects of the change process. This theory can be used as a benchmark by checking on whether different actions that are important in an organizational change have been executed (Kamau, 2010). Most organizations that implement this theory have been seen to go through change processes successfully.

Lewin’s change theory, Lippitt’s change theory, theory of reasoned action and planned behaviour and Kotter’s theory underpin the study by explaining how strategic change should be managed to enhance firm performance.

General Literature Review

This section reviews general literature on the study variables. This research looked at change, strategic change components and firm performance. It also reviewed the
strategic changes which include change of organizational structure, culture, leadership and systems. The review of performance touched on employee satisfaction, internal processes and growth and learning. The relationship between firm performance and strategic change was also reviewed.

Change

Change can be categorized in two ways: strategic change and operational change. Strategic change affects the long term, broad and organization-wide issues while operational change affects the systems and technology of an organization (Armstrong, 2009). Change is inevitable in an organization. Firms that embrace change and manage it well gain competitive advantage over the others. This implies good performance for such companies. Change can be brought about by internal and external forces in an organization. Internal forces like human resources and managerial behaviour can lead an organization to introduce some transformational change to bring about changes to organizational structure, behaviour and processes. External forces that can lead to changes in an organization are the occurrences in the business environment in which the firm is operating (Schabracq & Cooper, 2000).

Strategic Change

The alteration of activities in an organization is referred to as organizational change (Kotter, 2008). Strategic involves improving the alignment among the organization’s environment, design and strategy (Cummings & Worley, 2005). Major disruptions to the organization trigger the need for strategic change. Strategic changes are concerned with organization-wide strategies and are often incremental in nature. Strategic
changes give an organization the ability to constantly adapt to the external and internal environmental demands (Burnes, 2004). According to Armstrong (2009), change management emphasizes the need for the change management strategies and plans to be developed in line with organizational objectives and strategies.

The uncertain and frequent changes and greater competition between firms demand that change management be considered in an organization. Strategic change management is an approach which requires being between business strategies and plans (Burnes, 2004). Communication is important in change management as it facilitates peoples’ involvement and it reduces the uncertainty levels brought about by change. Strategic change components include culture, leadership or management, organizational structure and system or process change (Macmillan & Tampoe, 2000). These aspects greatly affect the change process in an organization.

Organizational Structure Change

Organizational structure is determined by strategy, technology, organization size, environment and power control. Organizational structure is a formal system of authority relationships and tasks that control how people use their resources and coordinate their actions to achieve the objectives of the organization (Aquinas, 2008). Separate departments and set of activities form up these tasks. It is imperative for an organization to be structured in such a manner that its objectives will be achieved. Transformation efforts should be continuous even if a company is doing well. For instance, to improve British Airways’ competitive advantage, the CEO announced restructuring in 1996 despite the firm doing well at that time. Restructuring can be a painful process as it may
involve laying off some employees, transferring some or even employing new ones (Alkhafaji, 2001).

Organizations that incorporate effective communication and proper organizational structure are more likely to perform exceptionally well as compared to those that do not. It is imperative for an organization to align its structure with chosen change management strategy. This may entail moving employees from departments, promoting others, demoting others, hiring or firing employees. Restructuring is key if an organization is to facilitate its strategic direction and better performance (Higgins, 2005).

Organizational Culture Change

Organizational culture is a system of shared meaning. It is a set of norms and shared values that control the interaction of the members of the organization and the stakeholders (Aquinas, 2008). The key functions of organizational culture are to integrate members so that they know how to interact with each other and to help the organization to adapt to the external dynamic environment. Organizational culture affects moral values on what is right or wrong and therefore enables principled decision making in an organization (Nill & Schibrowsky, 2015). Organizational culture influences employees to support the organizational strategies. To bring about culture change in an organization, a change agent can initiate and actualize the changes in the organization’s objectives. The change agents can also realize culture change through dialogue-based group sessions (Schabracq, 2007).

Leadership or Management Change

Organizational leadership involves processes and outcomes that help a firm to develop and achieve its objectives. It is identified by the influence of the organizational
life. A step by step process through which one can steer a firm’s direction in reliable manner and influence other people to achieve set objectives is known as leadership (Northouse, 2009). Leadership positions are created in organizational units to achieve the purpose of the firms’ existence (Zaccaro & Klimoski, 2001). Leadership is also defined as the ability to influence employee to achieve a set of goals (Ireland, Hoskinsson, & Hitt, 2012).

Strategic leadership leads to better change management process which affects organizational performance. Change of management leads to changes in the leadership styles in an organization. Therefore, it is imperative for an organization to consider who its leaders are, what values they uphold and what leadership styles they use.

System or Process Change

Organizations undergo systems or process change by introducing new technology and new ways of doing things. Firms build and rebuilt their systems so as to fit in the changing environment. It is imperative for them to change so that they sustain their competitive advantage over others (Wanza & Nkuraru, 2016). Use of technology is now moving from support function to critical strategic role in an organization. Companies gain competitive advantage and improve performance by the use of modern data processing systems and software advancement with the aim of increasing job efficiency.

Firms in the energy industry use enterprise resource planning (ERP) systems, sales force software, employee performance data base, tendering tool, project management tools, online leave management tools and many other systems to enhance efficiency at the work place. It is imperative for firms to adopt such systems to remain relevant in their processes (Sang, Komen, & Korir, 2017). However, the effect of systems 22
changes is dependent on the type of the change, age group of the employees and the organizational culture.

**Firm Performance**

Strategic change implementation determines a firm’s performance. As Barney (2002) explained, there are different dimensions of firm performance as follows: operational effectiveness, economic goals, corporate reputation and organizational survival. In relation to the balanced scorecard, this can be termed as the non-financial and financial measures of firm performance. The economic goals are the financial measures whilst operation effectiveness and corporate reputation can be placed in the non-financial measures category.

Customer satisfaction, employee satisfaction, internal processes, growth and learning are some of the non-financial measures of firm performance (Kaplan, 2010). Employee satisfaction is related to many business outcomes (Cole & Cole, n.d.). Employee attributes form a major part of operational efficiency and thus firm performance. Happy employees usually have a positive effect in their relationship with the customer. If the employees of a firm are satisfied and happy, the customer will look at them as though they are more pleased and balanced with their environment, this leads to customer satisfaction and hence it can be used to determine the firm’s performance (Yee, Yeung, & Cheng, n.d.).

Most companies use their common core measurements outcomes such as employee productivity, employee satisfaction and employee retention to measure employee capabilities (Drury, 2004). Employee satisfaction leads to employee retention which in turn leads to higher productivity and profits for the organization. Unsatisfied
employees on the other hand drive customers away with their poor service which in turn leads to low profits.

Internal processes perspective of performance measurement entails manufacturing geometry as technology capability measure of the firm, manufacturing excellence in terms of cycle time, unit cost and yield, design capability and introduction of new products in the market (Kaplan & Norton, 1992). These processes enable an organisation to meet its customer’s needs and its own financial objectives. The effectiveness of these processes can be determined by knowing how long the firm’s turn around time is and how many complaints the firm receives from the customers? These are some of the questions that a firm should ask itself when it comes to internal business processes as a measure of performance (McGregor, 2003).

Learning and growth as measure of firm performance looks at how a firm can continue to streamline processes and systems in order to create value. McGregor (2003) looked at ways in which a firm keeps improving itself in order to satisfy the customer. Learning and growth define how well the organization is continuously improving and creating value. The balanced scorecard insists on measures related organizational learning and innovation to gauge performance (Kaplan & Norton, 1992). The internal processes bring out the growth and learning perspectives in terms of innovation, technology leadership, manufacturing learning and time to market. It is imperative for managers to focus on the critical internal operations that lead to customer satisfaction.

Strategic Change and Firm Performance

The presence of strategic change practices positively affects firm performance. These practices tend to create a significant contribution on organizational competencies
by giving the organization a great boost and enhancing innovativeness (Ndahiro, Shukla, & Oduor, 2015). There are many studies done by Appelbaum, Huselid, Wright, Schuler, and Jackson as cited in Ndahiro, Shukla, and Oduor (2015) focusing on the change management of business organizations. This is because of their contribution in the global economy.

Studies have looked at different aspects of strategic change in relation to firm performance. Sang et al. (2017) researched the effect of technology and leadership change on organization performance and found a positive relationship between them. Idrisa, Wahabb, and Jaaparc (2014) found a positive relationship between corporate culture integration and firm performance.

Communication and Training

Communication being the essence of an organization is key in enhancing firm performance with regards to implementing strategic change. The desired outcome of communication as brought out by Sheikh (2013) is shared meaning. Leaders can make use of effective communication in the change process to reduce uncertainty, anxiety and support the change. This in turn causes the strategic change process to be successful and hence positively affects firm performance.

Training is essential in managing strategic change as it supports organizational change. Failure of successful strategic change process is attributed to unproductive management behavior and negative employee attitudes (Courtney, 2016). Training employees on change helps increase the success rate of the change process promote employee involvement in the change and encourage belonging and maintain visibility. An improved reception of change is more likely to be achieved if the human resources 25
understand how to put into action, the change theory. Change management training can help in providing more knowledge of the change, understanding of the implementation and management of the change (Rezvan, Dehkordi, & Shamsollahi, 2012). In carrying out strategic change, successful firms ensure that training is given to the employees.

Challenges of Strategic Change Implementation

The challenges posed by strategic change implementation arise from sources that are internal and external to the organization. Particularly, these challenges depend on the type of organization, type of strategy and the prevailing circumstances. Some of the challenges in strategic change implementation are behavioural, such as resistance to change. Inadequacy of resources, adoption of appropriate policies, unclear communication on responsibility for decisions and actions, poor and inadequate sharing of information between individuals and business units, lack of feeling of ownership of the change strategy and inappropriate systems to fit the strategic change (Pearce & Robinson, 2007). Some other challenges in strategic change are culture management (the attitude of employees and top managers), lack of upper management support, strong competition, organizational structure, employee and political issues (Rezvan, Dehkordi, & Shamsollahi, 2012).

Many challenges can be avoided if strategy development is coupled with implementation. Involvement of key people in the strategy development phase is key as it will ensure important implementation issues are not left out. Behavioral challenges can be reduced through good leadership, effective reward system, effective communication and participation in the development stages (Pearce & Robinson, 2007).
Empirical Literature Review

The importance of strategic change in the energy industry cannot be undervalued. Globally, management of strategic change has gained popularity especially with the current state of dynamism in the business environment. Since the genesis of the concept of strategic change management, extensive literature exists on different aspects of firm performance and strategic change.

In a study carried out by Atieno and Kyongo (2017) on the effects of strategic change on organization performance, it was established that strategic change has a significant effect on the performance of Kenya Wildlife Service. It implied that positive effect on firm performance is expected by firms that use strategic change. However, the study advised that more research be done on other Corporation, not only in Kenya but also outside.

In a research carried out by Habile (2016) on the effects of strategic change on organizational performance of Kenyan mobile telecommunications company, it was established that different aspects of financial measures of performance are affected differently by strategic change. He also identified several challenges of implementing strategic change in an organization. However, this study did not consider the non-financial measures of organizational performance.

A study carried out on the effect of strategic change management on the performance of Airtel Kenya Limited by Atieno (2009) established both positive and negative effects of different strategic change management aspects on the performance of Airtel. This research was however limited to the telecommunication industry. The
researcher suggested a further research on the level of success of the telecommunication operators on the performance of Airtel Kenya Limited.

In reference to the research by Vithessonthi and Thoumrungroje (2011), on the correlation between strategic change and firm performance, the relationship between the two is an inverted U-shape. Strategic changes that are extremely frequent were found to negatively affect firm performance. However, if organizational learning is moderated, the effect of strategic change on firm performance was found to be positive.

In a study carried out by Idrisa et al. (2014) on the corporate cultures integration and organization performance, it was established that the best people should be put in charge of implementing mergers and acquisitions deals. It was also concluded that early planning of the integration process is important in ensuring a positive effect on the firm’s performance. It believed that for successful integration, corporate cultures integration is the most important activity.

In a study on the effect of change management on the performance of government institutions in Rwanda, Ndahiro, Shukla, and Oduor (2015) concluded that planning well and implementing change management has positive effect on the performance of an organization. However, the study did not cover other types of organizations apart from government organizations.

Wanza and Nkuraru (2016) established that technology, strong organizational culture and leadership change, which are aspects of change management, have an effect on the performance of employees in an organization. However, this study was restricted to employee performance and not the overall organizational performance.
In a study to establish the effect of strategic change management on performance of large and medium hotels in Nairobi county, Sang et al. (2017) established that strategic change management through technology change and leadership change have a positive effect on the performance of hotels in Nairobi. The study was however limited to only two independent variables and it only covered hotels in Nairobi County in Kenya.

However, the researcher has not come across studies that address the effect of strategic change on firm performance in the energy industry in Kenya. The previous studies on strategic change and firm performance have been differently conceptualized and have addressed different strategic change management and firm performance contexts thus the need for this study.

Conceptual Framework

The conceptual framework in literature review brings out the relationship between the independent and dependent variables. It consists of the independent variables, moderating variables and dependent variables as its key features (Obwatho, 2014). For this study, the independent variables consisted of restructuring, process or systems change, leadership change and corporate culture change while the moderating variables, which facilitate strategic change management to enhance firm performance, included, communication and training. The dependent variable is firm performance. Based on empirical literature, strategic change management is generally related to firm performance as shown in Figure 2.1.
**Figure 2.1: Conceptual Framework**

Source: Ondiso (2017)

**Discussion**

The intent of this study was to contribute a case study that reinforces previous studies which indicate that strategic change, if implemented in an organization, can lead to successful change and hence enhance firm performance. In the energy industry in Kenya, not much has been done on the effect of strategic change on firm performance. This research sought to fill this knowledge gap by assessing the effect of strategic change on the performance of a firm, finding out the strategic changes adopted by Schneider Electric Kenya Limited, identifying the challenges that arise with implementing strategic changes in firms in the energy industry in Kenya.

**Summary**

This chapter reviewed literature on change, strategic change, its management and firm performance. The study also reviewed empirical literature on relationship between
strategic change and firm performance; most of which revealed a positive relationship.

The following chapter looked at the research methodology that was used for the study.
CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

A methodology is the rationale and philosophical assumptions that underlie the use of a set of methods; the methodology section describes the procedures followed in carrying out the study (Mugenda & Mugenda, 2003). This chapter described the research methodology that was be used to guide the study. The methodology covered research design, target population; sample size and sampling procedures, research instruments; data collection instruments, data analysis, presentation of data and the ethics of the research.

Research Design

Research design is a structure and plan of investigation formulated to find solutions or answers to a problem (Johnson & Christensen, 2014). Some of the key research designs adopted by researchers are experimental design, causal design, qualitative, cohorts design, quantitative, case study design, descriptive, exploratory and longitudinal designs (Obwatho, 2014).

Descriptive research design was adopted in this research. It aims at providing information relating to the status of the phenomena as it exists. Descriptive study is concerned with finding out what, who, how, and where of a phenomenon (Cooper & Schindler, 2011). The researcher sought to assess the effect of strategic change on the performance of a firm. Descriptive research was the most suitable design for this study because it describes phenomena without influencing it in any way; with the intent of answering research questions (Obwatho, 2014). This design was also preferred because it
utilizes correlation methods (Kothari, 2004).

Secondly, the researcher used a case study research design. It is a method which involves in-depth study of a specific unit and involves more emphasis on the deep analysis and intensive investigation of the subject matter to provide meaningful findings (Obwatho, 2014). The case under consideration is Schneider Electric Kenya Limited.

Population

A population refers to the total collection of elements about which one wishes to make inferences (Cooper & Schindler, 2011). The population in this study consisted of 242 Schneider Electric Kenya Limited employees based in Nairobi.

Target Population

A target population is an entire group to which a researcher wants to generalize the results of the study and draw conclusions (Obwatho, 2014). In this study, the target population was 242 Schneider Electric employees from the energy business department, finance and global supply chain departments, engineering to order (ETO) department, workshop floor, top-level managers, middle-level managers and lower level managers. This study considered the lower, middle and top-level managers as part of the target population because they are the key initiators of change. The functional and business units were considered because they consist of the general employees that are affected most by the change.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category of Employees</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Business department and ETO</td>
<td>63</td>
</tr>
<tr>
<td>Top-Level Managers</td>
<td>11</td>
</tr>
<tr>
<td>Middle-Level Managers</td>
<td>14</td>
</tr>
<tr>
<td>Lower Level Managers</td>
<td>20</td>
</tr>
<tr>
<td>Finance and GSC Employees</td>
<td>56</td>
</tr>
<tr>
<td>Workshop Floor Employees</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>242</strong></td>
</tr>
</tbody>
</table>

Source: Ondiso (2018)

Sample Size

A sample size is a small section of items selected from the universe to form a sample (Kothari, 2004). Some factors such as type of research design, the number of variables in the study, method of data analysis and the size of an accessible population, determine a sample size (Mugenda & Mugenda, 2003). Variability in relation to time, costs, accuracy and estimate required should also be considered when choosing a sample size. Sample sizes larger than 30 and less than 500 are appropriate for most research (Sekaran & Bougie, 2010).

For descriptive study, obtaining as big a sample as possible from the population is the rule of thumb; a sample size of between 10% and 30% of the target population is representative enough (Mugenda & Mugenda, 2003). For this study, the simple size was made up of 30% of the energy business department and ETO, 30% of the finance and GSC departments and 10% of workshop floor employees. A census was done for the top, middle and lower level management employees to get as much information as possible as they form the link between stakeholders and the general employees.
Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Category of Employees</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Business department and ETO</td>
<td>19</td>
</tr>
<tr>
<td>Top-Level Managers</td>
<td>11</td>
</tr>
<tr>
<td>Middle-Level Managers</td>
<td>14</td>
</tr>
<tr>
<td>Lower Level Managers</td>
<td>20</td>
</tr>
<tr>
<td>Finance and GSC Employees</td>
<td>17</td>
</tr>
<tr>
<td>Workshop Floor Employees</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>89</td>
</tr>
</tbody>
</table>

Source: Ondiso (2018)

Sampling Techniques

The researcher used stratified sampling as the study population embraces distinct categories (Obwatho, 2014). The total target population was divided into top, middle and lower level managers, employees from the energy business department, workshop floor, finance department and global supply chain. The technique was used because the population is relatively heterogeneous with respect to the variable under the study (Nachmias & Nachmias, n.d.).

Data Collection Instruments

Information collected in research with an intention of achieving the research objectives is referred to as data (Chandran, 2004). Primary data is data which is collected directly from respondents. The researcher in this study collected the primary data through questionnaires and interviews and secondary data from online materials, reports, books and newspapers. According to Chandran (2004), interviewing involves oral questioning of respondents individually or as a group in which the answers are written down during or after the interview. This method provides richer information because the researcher can request further clarification or ask follow-up questions on data collected.
The questionnaires were coded and the respondents’ identity remained anonymous. The researcher took care not to lose the respondents’ confidence by doing a full introduction and ensuring that the questions are presented in a non-intrusive or invasive manner. The research purpose was explained fully to the participants so that they do not withhold important information for fear of victimization. The questionnaire was divided into different parts. Part A had general information questions which helped to gather employee bio-data. These were used in the classification of the employees. Part B and C had 5-point Likert scale questions help in identifying the strategic changes used by SEKL, to what extent they had been used and their effect on the performance of SEKL. Part D had questions on firm performance aspects. Part E covered the challenges experienced when implementing strategic change and part F covered the intervening variables.

Data Collection Procedures

The researcher sought the approval of the Ethics Research Board of Daystar University and got a permit from the National Commission for Science, Technology and Innovation (NACOSTI) in order to carry out the research in SEKL. The researcher carried out twenty minutes interview for the top-level managers in SEKL using the interview questions plan. The researcher then administered questionnaires through drop and pick method where they were given to the respondents, who were given time to fill after which the researcher picked the filled questionnaires. Follow-up was carried out by electronic mails and phone calls to ensure the highest response rate.
Pretesting

A pre-test was carried out to ensure that the items in the questionnaire are clearly stated and they have the same meaning to all respondents. The questionnaires were administered to five respondents from SEKL partners. The respondents were not part of the selected sample. During the pre-test, the researcher assessed the clarity of the questionnaire, the time taken to administer it and to identify sensitive items. The sensitive items identified was omitted or modified. The information obtained during the pre-test was used in the revision of the questionnaire (Mugenda & Mugenda, 2003).

Validity and Reliability of Data

Validity is defined by the degree to which analysis results obtained is a representative of the phenomenon under study. Validity determines whether the results measured are as per the intention of the study or not. It entails how accurately the data obtained represents the variables of the research (Mugenda & Mugenda, 2003). Face, content and construct validity checks were applied by seeking the opinion of scholars and the supervisors to find out if the data was accurate and meaningful and reflected the variables.

A measure of the degree to which a research instrument gives consistent results after a number of trials is referred to as reliability (Obwatho, 2014). For this research, the Cronbach’s Alpha Test method was used to test the data consistency. Cronbach’s coefficient alpha is usually computed to determine the correlation of items. Alpha values above 0.7 are considered accurate in measuring the reliability of the data collection instruments (Mugenda & Mugenda, 2003). This study sought to achieve the reliability of
above 0.7. From the test conducted, all the alpha values were above 0.7 for all the aspects checked. This was an indication that the research instrument was reliable.

Data Analysis Plan

The data was analysed using two techniques: descriptive and inferential techniques. In descriptive statistics, researchers summarize data by use of measures that can be understood easily by an observer (Healey, 2011). It entailed use of numerical techniques for summarizing data to simpler terms. The transformation of mass data into tables and charts is a key in making sense of the data (Denscombe, 2003).

The researcher drew inferences using Pearson moment correlation technique and regression analysis. Pearson moment correlation technique is a statistic used to measure the association between two variables (Healey, 2011). Pearson’s moment correlation coefficient indicates positive or negative relationship between the variables. The data was analysed using SPSS and presented in tables. Regression analysis is used to determine whether a given variable predict a given dependent variable (Mugenda & Mugenda, 2003). In this case, regression analysis was used to determine whether strategic change has an effect on the performance of firms.

In simple linear regression analysis, the amount of variation in the dependent variable caused by the independent variable is given by the value of R-squared. The coefficient (unstandardized) shows the amount of change in the dependent variable attributable to the amount of change in the dependant variable. The F-statistics measure the goodness of fit of the variables. The significance (statistical) of the relationship predicted was interpreted based on $R^2$, F, t, β and p values.

The regression model used is shown below:
\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon, \text{ where } Y = \text{performance of SEKL}; \ \beta_0 = \text{Intercept}; \ \\
\beta_1 = \text{Coefficients}; \ X_1 = \text{restructuring}, \ X_2 = \text{systems/process change}, \ X_3 = \text{corporate culture change}, \ X_4 = \text{leadership/management change} \text{ and } \varepsilon = \text{Error term.} \]

Ethical Considerations

Any research’s success is dependent on the involvement and satisfaction of all stakeholders. Ethics is a branch of philosophy that deals with someone’s conduct and serves as a guideline to behaviour. It is imperative for a researcher to be completely ethical as there are laws that prohibit unethical behaviour (Mugenda & Mugenda, 2003). The ethical considerations in the study were privacy of confidential information, respondents’ confidentiality and researchers’ non-biasness. The researcher ensured the questionnaires were non-invasive and participants were not identified by names. The researcher was honest in discussing the research problem and research findings and ensured that all the findings from the field capture the reality on the ground.

Summary

This chapter discussed the methodology used for the research. It covered the research design, defined the population, the target population and the sample size that was considered in the research. It also described the sampling technique used to get the best representation of the population, the data collection and analysis techniques and finally the ethical considerations that the researcher was keen on when carrying out the research. The next chapter looked at the data presentation, analysis and interpretation.
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter is a presentation of the research findings where tables are used to present the findings as per the study objectives. The interpretation of the findings has been done to provide answers to the research questions. The data was gathered from interviews and the questionnaires designed according to the research objectives. The data collected was then fed into SPSS. The output was used to compute the necessary ratios for establishing the effect of strategic change on the performance of firms in the energy industry in Kenya; particularly Schneider Electric Kenya Limited. Both descriptive and inferential analyses were conducted.

Presentation, Analysis and interpretation

Response Rate

During data collection, six top management employees were interviewed and 78 questionnaires were issued to the energy business department and ETO, middle-level managers, lower level managers, finance and GSC employees and workshop floor employees of Schneider Electric Kenya Limited. The response rate was as indicated in Table 4.1.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>73</td>
<td>82.0</td>
</tr>
<tr>
<td>Did not respond</td>
<td>16</td>
<td>18.0</td>
</tr>
<tr>
<td>Total</td>
<td>89</td>
<td>100</td>
</tr>
</tbody>
</table>

From the study, the researcher successfully received response from 73 respondents.

The responses were complete and taken as valid for data analysis. This translated to a
response rate of 82.0% of the sample size. Five top managers were not available for interview and of the 78 questionnaires issued, 11 were not received and therefore not considered in the analysis. This implied that 18% did not respond. Of the 73 responses obtained, 67 respondents filled questionnaires while 6 respondents were interviewees. According to Babbie (2002), a 50% response rate is adequate. This implies that the response rate of 82.0% was satisfactory and good for analysis, drawing conclusions and making recommendations. The response rate was improved by the use of drop and pick method, follow-up telephone calls to the respondents, personal visits and explanation of the purpose of the study and its usefulness to the organization. This was supplemented with a letter of introduction from Daystar University as well as a letter of authority from NACOSTI.

Background Information

The general information breaks down the features of the study population. Different aspects were used to describe the organization and the respondents. To get the background information, the demographic data of the respondents was investigated in the first section of the questionnaire. The data comprised of respondents’ gender, age bracket, highest level of education, duration worked in the organization and category of employee in the organizational structure.

Gender of the Respondents

The outcomes presented in Tables 4.2 presents the distribution of respondents in relation to gender. The subject of gender is considered fundamental in this study largely because it could help the researcher get a balanced view from both genders.
Table 4.2: Gender of the Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>46</td>
<td>63</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
<td>100</td>
</tr>
</tbody>
</table>

From the study, 63% of the respondents were male while 37% were female. These results show that the company had both female and male employees and that the opinions of both genders were represented. This is in accordance with Higgins (2005) who argued that gender plays a crucial role in implementation of strategic changes due to varying capabilities relevant for enhancing organizational performance.

Age Brackets of the Non-Top Management Respondents

The study posed a question seeking to ascertain the composition of the respondents in terms of age. This data was sought since the age bracket of the respondents play a critical role in understanding the issues sought by the study. The results are as depicted in Table 4.3.

Table 4.3: Age Brackets of the Non-Top Management Respondents

<table>
<thead>
<tr>
<th>Range in Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 years - 29 Years</td>
<td>8</td>
<td>11.9</td>
</tr>
<tr>
<td>30 years - 39 years</td>
<td>34</td>
<td>50.7</td>
</tr>
<tr>
<td>40 years- 49 years</td>
<td>18</td>
<td>26.9</td>
</tr>
<tr>
<td>50 years- 59 years</td>
<td>7</td>
<td>10.4</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
</tr>
</tbody>
</table>

More than half of the respondents (50.7%) were aged between 30 and 39 years. In addition, 26.9% of the respondents indicated that they were aged between 40 and 49 years, 11.9% (8) of them were aged between 18 and 29 years, while 10.4% of the respondents were between 50 and 59 years. There was no respondent aged above 60 years. These results demonstrated that the respondents were well distributed in terms of age hence different views across varying ages are accounted.
Also, most employees were aged between 30 and 39 years and 40 and 49 years, this implies that they have a significant level of work experience; long enough to understand the ongoing changes. This is in accordance with Atieno and Kyongo (2017) who pointed that age is an important factor in an organization as it gives an implication that employees who have worked for long in an organization have relevant knowledge of the strategic changes in the firm.

Level of Education of the Non-Top Management Respondents

The study collected data from different categories of education backgrounds to establish whether they understood the effect of strategic change on the performance of Schneider Electric Kenya Limited. The results of the study were then presented in Table 4.4.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma level</td>
<td>46</td>
<td>68.7</td>
</tr>
<tr>
<td>Graduate level</td>
<td>11</td>
<td>16.4</td>
</tr>
<tr>
<td>Post-graduate level</td>
<td>6</td>
<td>9.0</td>
</tr>
<tr>
<td>Others (secondary school, CPA, Certificate)</td>
<td>4</td>
<td>6.0</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the study, a majority (68.7%) of the respondents indicated that they had obtained diploma level as their highest level of education. In addition, 16.4% were bachelor’s degrees holders, 9.0% had attained post-graduate degree level of education while 6% had obtained other academic qualifications such as secondary school, CPA and certificate. These outcomes show that many of the employees had at least a college diploma and therefore understood the study requirements. These further imply that the respondents were familiar with the information sought by the research and were academically qualified. These results affirm the views of Kotter (2008) that education
equips stakeholders with core competencies and capabilities which help in developing strategies that lead to sustainable competitive advantage of the firm.

**Working Experience**

The respondents were requested to indicate the number of years that they had been working in the organization. Working experience is critical since it reviews the respondents’ understanding of the issues sought by the study. The results are as shown in Tables 4.5 and 4.6.

<table>
<thead>
<tr>
<th>Table 4.5: Working Experience of Non-Top Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>0-3 years</td>
</tr>
<tr>
<td>4-5 years</td>
</tr>
<tr>
<td>Above 5 years</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4.6: Working Experience of Top Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>0-3 years</td>
</tr>
<tr>
<td>4-5 years</td>
</tr>
<tr>
<td>Above 5 years</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

From the study, 49.3% of the respondents had been working in the organization for more than 5 years, 35% indicated that they had worked in the organization for a period of between 4 to 5 years whereas 14.9% had been working in the organization for a period between 0 and 3 years. In addition, the 50% of the top management mentioned that they had worked in SEKL for more than 5 years, 33.7% had worked for a period between 4 and 5 years while 16.7% had worked for a period between 0 and 3 years. The results of the study were explained to mean that most participants had been working in the firm a significant period. This made them able to give answers with precision on the
happenings within the firm. This concurs with Higgins (2005) who reported that experience is key to facilitate organizational strategic direction and better performance.

Category of Employees

This study sought to establish the distribution of the respondents in these categories. This was to ensure that there was no bias in the results obtained as outlined in Table 4.7.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle Management</td>
<td>11</td>
<td>16.4</td>
</tr>
<tr>
<td>Lower Management</td>
<td>20</td>
<td>29.9</td>
</tr>
<tr>
<td>General Employees</td>
<td>36</td>
<td>53.7</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100.0</td>
</tr>
</tbody>
</table>

According to Table 4.7, 53.7% of the respondents indicated that they were ranked in the general employee level of SEKL, 29.9% were lower management employees while 16.4% were drawn from the middle management level. In the study 6 respondents from top management were interviewed. These findings indicated that the respondents that participated in the study were mainly those involved in developing and implementing of the strategic changes in the organization hence best placed to give credible views as sought by the study. According to Ireland et al. (2012), distribution of views from various management levels contributes to the desirable skills that have significant impact on employee and organization performance.

The study further required the top management to describe the role of their organization or department with regards to the overall strategy of the SEKL. They reported that their departments were responsible for managing new solutions for the SEKL customers, customer projects and customer relations. The top management also
recapped that their departments were responsible for focused approach for organizational growth, mandated for energy access and reaching the customers. The respondents also mentioned that they were responsible for planning the acquisition and supply of the inputs and outputs, processing, logistics and warehousing hence the backbone of the company. These results are in line with Cummings and Worley (2005) that different leadership roles and initiatives should be managed by different management to achieve strategic change in an organization.

**Strategic Change**

The study sought to identify the strategic changes adopted by Schneider Electric Kenya Limited. As such, the respondents were required to indicate the strategic changes that have been implemented in SEKL based on their experience as depicted in Table 4.8.

*Table 4.8: Strategic Changes Adopted by Schneider Electric Kenya Limited*

<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of company structure/</td>
<td>54</td>
<td>80.6</td>
</tr>
<tr>
<td>Restructuring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems/ Process Change</td>
<td>43</td>
<td>64.2</td>
</tr>
<tr>
<td>Corporate Culture Change</td>
<td>17</td>
<td>25.4</td>
</tr>
<tr>
<td>Leadership/ Management Change</td>
<td>48</td>
<td>71.6</td>
</tr>
</tbody>
</table>

As shown in Table 4.8, the majority of the respondents at 80.6% indicated that change of company structure or restructuring had been implemented in SEKL. This was followed by 71.6% who reported that SEKL had executed leadership or management changes while 64.2% (indicated that the organization had implemented systems or process changes. The smallest proportion (25.4%) indicated that the organization had employed corporate culture change. From these results, the organization has been implementing several strategic changes mainly involving restructuring, process change.
and leadership/management change. This is in line with Kaplan (2010) who pointed that the various strategic changes include leadership style, culture, management, organizational structure and internal processes.

The study further sought to establish the other strategic changes adopted by SEKL. Accordingly, the respondents indicated that the organization had implemented human resource realignments; it has launched ‘one voice survey’ as a way of promoting performance culture among the SEKL employees, there was business model change and change of insurance cover for both staff and their families.

The company had also developed its employee skills through nurturing and training, there was employee motivation through less working hours per week, there was provision of lunch subsidies, change in communication channels and adoption of business model for sales by increasing number of panel moulders or system operators or distributors to increase the sales strategy. These results concur with Aguirre el al. (2004) who argued that strategic change such as new business models, process enhancement, new lines of products, restructuring, technological changes or realignments and changing customer demands are common in the current business environments.

When asked to indicate the strategic changes that SEKL had put in place to ensure achievement of sustainable competitive advantage, the top management employees reported that the company had implemented capacity building for training individuals (mainly the technicians) as well as recruitment of experienced teams and that there was regional expansion through partnering with other organizations. Other strategic changes adopted included management focus and adoption of organizational restructuring for project solutions and financial or resources concentration, knowing the customers,
identifying key performance indicators and identifying the organizational or leadership roles and responsibilities. These results agree with Aguirre et al. (2004) that comprehensive strategy-based transformation approach entails engaging the top and leading the change, breaking barriers and cascading down and mobilizing and creating ownership of the change.

The top management were required to identify the strategic changes which directly relate to their teams. They unanimously pointed that all the strategies relate to their teams directly. Also, the respondents were further required to indicate the extent to which they agreed with various statements relating to the strategic change components applied in SEKL. A scale of 1 to 5 was provided where 1= no extent, 2= small extent, 3= moderate extent, 4= great extent and 5= very great extent and the results obtained are presented in Table 4.9.
<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Strategic Statement</th>
<th>No extent</th>
<th>Little extent</th>
<th>Moderate extent</th>
<th>Large extent</th>
<th>Very large extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring</td>
<td>Departmental transformation is ongoing.</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is massive recruitment of employees with key capabilities</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>17.9</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Staff movements and alignment of qualification and roles.</td>
<td>4</td>
<td>6</td>
<td>16</td>
<td>23.9</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>System/Process</td>
<td>New systems/processes have been introduced in the organization.</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34.3</td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>44.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13.4</td>
</tr>
<tr>
<td>System/Process</td>
<td>Digitization of processes like the leave management process, training, sales force,</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>Change</td>
<td>tender approval process and project management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34.3</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>30</td>
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<td></td>
<td></td>
<td>44.8</td>
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<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td>System/Process</td>
<td>Communication enhancement and collaboration through online</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td></td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25.4</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>46.3</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Systems</td>
<td>High performance culture is encouraged.</td>
<td>Corporate</td>
<td>Fear</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------</td>
<td>-----------</td>
<td>------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Culture</td>
<td>Customer centric culture was introduced in SEKL.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change</td>
<td>Employee well-being is imperative.</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Change in the leadership of SEKL.</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>13.4</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Managers are adopting new leadership styles in their roles.</td>
<td>1</td>
<td>1</td>
<td>11</td>
<td>16.4</td>
<td>14</td>
</tr>
</tbody>
</table>

With regards to restructuring, 55.2% of the respondents agreed that departmental transformations were ongoing to a large and very great extent, 34.3% agreed to a moderated extent, 5% agreed to a little extent that departmental transformations were ongoing while 3% of the respondents indicated no extent. Fifty-two percent indicated that there was massive recruitment of employees with key capabilities to a large and very great extent, 23.9% agreed to a moderate extent, 17.9% to a little extent stated that there was massive recruitment of employees with key capabilities while 6% indicated no extent. Thirty-five respondents indicated that staff movements and alignment of qualification and roles was ongoing to a large and very great extent, 17.9% and 23.9% indicated that staff movements and alignment of qualification to roles was ongoing to a moderate and little extent respectively while 6% indicated no extent.
The results above imply that SEKL was undergoing restructuring to a significant extent as indicated by the three aspects of restructuring rated at 55.2%, 52.2% and 52.3%. The second highest score was on moderate extent for the three aspects which implies that the respondents somewhat agreed that restructuring was ongoing in SEKL. This agrees with Aquinas (2008) that restructuring entails moving employees from departments, promoting others, demoting others, hiring or firing employees and it is a key process for an organization to facilitate its strategic direction and better performance.

The top management unanimously reported that restructuring was taking place at SEKL and that they were responsible for placement of the right people to their right places in strategic change process, employee coaching, staff training, communication to the employees effectively and evaluation of the strategic change process. They also stated that they were mandated to ensure consistency in communication, ensuring there was positive impact of the strategic changes, communicating to the customers and adding value in service delivery.

The results in Table 4.9 further display the respondents’ agreements with the various aspects of system or process change. The majority of the respondents at 58.2% indicated that new systems or processes had been introduced in the organization to a great and very great extent while 41.8% showed that new systems or processes had been introduced in the organization to moderate and little extents. In addition, 52.3% of the respondents indicated that digitization of processes like the leave management process, training, sales force, tender approval process and project management had been enforced to a great and very great extent while 44.7% indicated to moderate and little extent while 3% indicated no extent. Further, 55.3% indicated that they had experienced
communication enhancement and collaboration through online systems to a great and very great extent, 39.8% indicated to moderate and little extent while 6% reported no extent.

The results above imply that significant systems or process changes had been implemented in SEKL as indicated by the three aspects of systems or process change scoring the highest (58.2%, 52.3% and 55.3%). The second highest score was on moderate and little extents for the three aspects which implies that the respondents somewhat agreed that systems or process changes had been implemented in SEKL. This agrees with Ireland et al. (2012) that the use of modern systems/processes, online systems, data processing systems and advances in software that increase job efficiency help companies to gain competitive advantage and improve performance.

On corporate culture change, 56.7% of the respondents agreed that high performance culture was encouraged in the organization to a great and very great extent, whereas 38.8% indicated to moderate and little extents and 4.5% indicated to no extent at all. A majority of the respondents at 59.7% indicated that customer centric culture was introduced in SEKL to a great and very great extent, 37.4% indicated that customer centric culture was introduced in the organization to moderate and little extent while 3% indicated no extent. The majority (61.2%) reported that employee well-being was imperative to a great and very great extent, 32.8% indicated to moderate and little extents while 6% indicated no extent.

The results above imply that corporate culture changes had been implemented in SEKL as indicated by the three aspects of culture change scoring the highest (56.7%, 59.7% and 61.2%). The second highest score was on moderate and little extents for the
three aspects which implied that the respondents somewhat agreed that corporate culture changes had been implemented in SEKL. The large percentage implied that most of the respondents had experienced culture change in the organization to a significant extent. In the same line of view, Nill and Schibrowsky (2015) indicated that cultural changes occur in the norms, principles, symbols and habits of an organization and that these changes are directed towards bettering staff skills, behavior, loyalty and performance of the organization.

With regards to leadership or management change, 58.2% of the respondents indicated that there were changes in the leadership of SEKL to a great and very great extent. This meant that SEKL was steadfast in implementing leadership changes. Twenty-eight respondents indicated to moderate that the managers in SEKL adopted new leadership styles in their roles, 61.2% reported to a great and very great extent, 37.3% stated to a moderate and little extents while 1.5% indicated no extent.

The results above imply that corporate culture changes were implemented in SEKL as indicated by the two aspects of leadership change with ratings of 58.2% and 61.2%. The second highest score was on moderate and little extents for the three aspects which implied that the respondents somewhat agreed that the leadership or management changes were implemented in SEKL. The large percentage implied that most of the respondents had experienced leadership change in the organization to a significant extent. These results agree with Northouse (2009) that leadership changes are made to the organization's individuals, teams, roles and responsibilities of departments and goals; and involve adjustments in the structural characteristics, hierarchy of authority, goals, structural characteristic, administrative procedures and management systems.

53
The top management reported that they played the role of implementing change in the organization, ensuring the team was well aligned with the targets and objectives of changes, managing risks associated with the strategic change and giving feedback regarding the strategic change process. According to Zaccaro and Klimoski (2001), roles as leaders in the strategic change process serve many purposes, including generating momentum for the strategy, mobilizing firm resources, and making sure that the goals of the strategy are clear to all those charged with implementation duties.

Firm Performance

The study also sought to establish how Schneider Electric Kenya Limited measured its non-financial performance. The results depicted in Table 4.10 relate to the respondents’ level of agreement with statements on performance of SEKL.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are aware of how non-financial performance is measured.</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td>23.9</td>
</tr>
<tr>
<td>Employee satisfaction is considered as a measure of performance in SEKL.</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td>13</td>
</tr>
<tr>
<td>Internal processes efficiency and effectiveness determine the performance of SEKL.</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>11.9</td>
<td>14</td>
</tr>
<tr>
<td>SEKL measures its performance based on learning and growth.</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>10.4</td>
<td>23</td>
</tr>
<tr>
<td>Customer satisfaction is used as a measure of performance.</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7.5</td>
<td>23</td>
</tr>
</tbody>
</table>
According to the results, employees were aware of how the organization measures its non-financial performance as supported by 61.2% of the respondents from various categories. On the other hand, 23.9% were neutral, 9% disagreed and 6% strongly disagreed that employees were aware of how the organization measures its non-financial performance. This implied that the employees of SEKL were aware of how the firm measured its non-financial performance as indicated by more than half (61.2%) of them. Twenty-three percent were neutral about it, either unwilling to give their opinion or were resentful or were not aware.

Sixty-one percent of the respondents indicated that employee satisfaction was considered as a measure of performance at SEKL. On the other hand, 19.4% were neutral, 13.4% disagreed and 6% strongly disagreed. This implies that employee satisfaction was considered a measure of performance of SEKL as indicated 61.2% of the respondents, 19% were neutral about it, either unwilling to give their opinion or were resentful or were not aware, 61.2% agreed that internal processes efficiency and effectiveness determine the performance of SEKL while 20.9% were neutral Twenty percent strongly disagreed. This implies that the efficiency and effectiveness of the internal processes determined how the firm measured its non-financial performance as indicated by a majority of the respondents at 61.2%.

The majority of the respondents at 52.3% indicated that SEKL was a learning company and it measured its performance based on learning and growth. However, 34.3% remained neutral on the same, 10.4% disagreed while 3% strongly disagreed. This implied that SEKL measures its non-financial performance based on learning and growth as indicated by more than half (52.3%) of the respondents, 34.3% are neutral, either
unwilling to give their opinion or are resentful or are not aware. This implied that learning and growth was considered to a lesser extent as compared to the other measures or that the employees were not so much aware of it.

The study revealed that 58.2% of the respondents indicated that customer satisfaction was vital at SEKL and was used as a measure of performance. On the other hand, 34.3% were neutral and 7.5% disagreed. This implied that customer satisfaction indicated how the firm measured its non-financial performance as indicated by 58.2% of the respondents. Elsewhere, 34.3% were neutral about it, either unwilling to give their opinion or are resentful or are not aware. The above results imply that the major segment of the respondents comprised of views that showed that employees were aware of how the organization measured its non-financial performance, employee satisfaction was considered as a measure of performance, internal processes efficiency and effectiveness determine the performance, learning and customer satisfaction were key in SEKL. This implies that the above measures of performance were used in SEKL.

The top management reported the various methods that SEKL used to measure its non-financial performance. According to all respondents, customer satisfaction was imperative in determining the firm’s performance as one of the core values of SEKL was customer centricity. The top management also reported that employee satisfaction was measured in SEKL and added that SEKL was a learning organization whose maturity was different and competency review was done for all employees. This is in line with McGregor (2003) that learning and growth as measure of firm performance ensures that firms can continue to streamline systems and processes in order to create value, innovation, technology leadership, manufacturing learning and time to market. The
results concur with the views of Courtney (2016) that progressive organizations report increase in the success rate of the change process, increment in employee involvement, growth in employee capabilities and customer satisfaction. Kaplan and Norton (1996) also argued that a firm can measure its non-financial performance through measurement of growth and learning, customer satisfaction and internal processes.

The top management additionally revealed that SEKL measured its non-financial performance through periodic monitoring of the system, performance evaluation and employee evaluation. In addition, the organization measured performance in terms of customer net promoter score (a survey conducted on quarterly basis), employee promoter score (for establishing employee satisfaction), process performance (done using a dashboard –on-time delivery to customer- OTDC), back order lines (BOL), employee assessment, customer survey, development plan for employee, efficiency of the process, safety risk management and business ethics.

On whether the top management measured the satisfaction of their employees as managers of their departments, all the responses showed that the managers were involved in measuring the satisfaction of the employees at SEKL. They reported that indeed they measured the satisfaction of their employees through employee satisfaction surveys, obtaining feedback from the HR manager and through annual appraisal forums. This agrees with Drury (2004) that employee satisfaction leads to employee retention which in turn leads to higher productivity and profits for the organization while unsatisfied employees drive customers away with their poor service leading to low profits. Therefore, determination of employee satisfaction is measure of firm performance.
Effect of Strategic Change on Firm Performance

The study sought to determine the effect of the strategic changes adopted on the performance of SEKL. As such, the respondents were required to indicate their level of agreement with various statements relating to the effect of strategic change on the performance (internal processes, employee satisfaction and learning and growth) of SEKL. The results are shown in Tables 4.11 to 4.13.

Table 4.11: Effect of Restructuring on the Performance of SEKL

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is good engagement between staff and management.</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>17.9</td>
<td>16</td>
</tr>
<tr>
<td>After restructuring, decision making takes a shorter time.</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7.5</td>
<td>23</td>
</tr>
<tr>
<td>Jobs are finished within a shorter period.</td>
<td>3</td>
<td>4.5</td>
<td>4</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>Employees have more faith in the organization.</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td>13</td>
</tr>
<tr>
<td>Employees are satisfied with their involvement in decision making.</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>19</td>
</tr>
</tbody>
</table>

The results on restructuring showed that 52.2% of the respondents agreed that there was good engagement between staff and management. On the other hand, 23.9% were neutral about it and 23.9% disagreed. This implies that there was significantly good engagement between staff and management as indicated by more than half of the respondents (52.2%) while some employees were either unaware or resentful about the same as indicated by 23.9% respondents who were neutral.

The majority at 58.2% agreed that after restructuring, decision making takes a shorter time while 41.8% were neutral and in disagreement with the same. This implied
that decision making took a shorter time after restructuring as indicated by more than half of the respondents (58.2%) while some employees were either unaware or resentful about the same as indicated by 34.3% respondents who were neutral. Also, 56.7% of the respondents agreed that jobs were finished within a shorter period. On the other hand, 43.3% showed impartiality and disagreement with the statement. This implies that jobs were finished within a shorter time as indicated by 56.7% respondents while some employees were either indifferent or unaware of the same as indicated by 32.8% of the respondents who were neutral.

A majority of the respondents at 61.2% agreed that they had more faith in the organization as compared to 38.8% who indicated neutrality, disagreement and strong disagreement with the same. Also, 59.7% of the respondents indicated that employees were satisfied with their involvement in decision making whereas 40.3% neither disagreed nor agreed with the statement. These results imply that there was a major change in performance as a result of restructuring. The findings are in line with Burnes (2004) that restructuring is a profound shift in the way a business operates and change helps organizations radically restructure their organizations, emphasizes a holistic focus on business objectives, encouraging full-scale recreation of processes, facilitates peoples’ involvement and it reduces the uncertainty levels.
Table 4.12: Effect of System or Process Change on Performance

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is improved quality of products and services due to the systems change.</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>More customer data can be processed with the use of new technology.</td>
<td>3</td>
<td>4.5</td>
<td>4</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>More information about the customers, suppliers and partners can be found with the click of a button.</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>There is more efficiency in the internal processes.</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7.5</td>
<td>23</td>
</tr>
</tbody>
</table>

According to Table 4.12, 58.2% of the respondents agreed that there was improved quality of products and services due to the systems change, 28.4% respondents were neutral and 13.4% disagreed with the same. With regard to whether more customer data could be processed with the use of new technology, 56.7% agreed while 32.8% showed impartiality and 10.5% disagreed. On whether more information about customers, suppliers and partners could be found with the click of a button, 59.7% of the respondents agreed whereas 28.4% were neutral and 12% disagreed with the same.

With regard to whether that there was more efficiency in the internal processes, 58.2% of the respondents agreed, 34.3% showed neutrality and 7.5% disagreed. From these results, there was general agreement with the statements provided on process change which implied that there was improved quality of products and services, accessibility of customer data, convenience of information about the customers, suppliers and partners and there was more efficiency in the internal processes as a result of process
changes in SEKL. The percentages of respondents that were neutral on the statements above could either be resentful or unaware of the effect of process change on the performance of SEKL. According to Vithessonthi and Thoumrungroje (2011), the use of modern data processing systems and advances in software that increase job efficiency, help companies to gain competitive advantage, improve employees’ effectiveness and efficiency and increase in sales as well as achievement of corporate goals.

Table 4.13: Effect of Corporate Culture Change on Performance

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>High performance culture is enhanced and encouraged in SEKL.</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>10.4</td>
<td>23</td>
</tr>
<tr>
<td>SEKL employees are customer centric.</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Employees experience personal growth through learning culture.</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td>13</td>
</tr>
<tr>
<td>The organization is interested in employees’ welfare.</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>10.4</td>
<td>23</td>
</tr>
<tr>
<td>SEKL employees are guided by and conform to professional standards of conduct.</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>13.4</td>
<td>19</td>
</tr>
</tbody>
</table>

The results shown in Table 4.13 incorporate the respondents’ views on various statements on effect of corporate culture change on the performance of SEKL. Accordingly, 52.3% (35) of the respondents agreed that high-performance culture was enhanced and encouraged in SEKL. This implied that high-performance culture was encouraged in SEKL significantly. However, 34.3% indicated neutrality, 13.4% disagreed with the statement implying that there was still some work required to ensure the high-performance culture was felt throughout the organization. The top management
interviewed reported that they were keen on spreading high performance culture within the organization. With regard to whether SEKL employees were customer centric, 59.7% of the respondents agreed, 28.4% showed neutrality and 12% disagreed. This is an implication that SEKL employees were largely viewed as customer centric with still a significant proportion deviating from this view. The top management also mentioned that SEKL promoted customer centricity.

With regard to whether employees experienced personal growth through learning culture, 61.2% of respondents agreed, 19.4% were neutral and 19.4% disagreed. This is an implication that SEKL employees largely experienced personal growth through learning culture with still a significant proportion deviating from this view. This meant that SEKL put in place measures to ensure that its employees experienced personal growth at all levels. With regard to whether the organization was interested in employee’s welfare, 52.3% of the respondents agreed, 34.3% were neutral and 13.4% disagreed. These results imply that SEKL was concerned in its employee’s welfare. However, some significant numbers of employees did not feel the same. This means that some aspects of employees’ welfare are not considered in SEKL for all employees.

Further, 58.2% of the respondents reported that SEKL employees were guided by and conformed to professional standards of conduct 28.4% were neutral and 13.4% and disagreed with the statement. This is an implication that SEKL employees were guided by and conformed to professional standards of conduct. Still, a significant proportion was neutral on this view meaning that either they were unaware or resentful about the same. This was an implication that corporate culture change significantly played an integral role on performance of SEKL. This is in line with Nill and Schibrowsky (2015) who reported
that organizational culture influences employees to support the organizational strategies, affects the ways in which employees and managers play their roles in carrying out activities to satisfy stakeholders and themselves, approaching problems, reacting to the environment and serving customers.

Inferential Analysis

To complement the descriptive results, the researcher conducted inferential analyses involving regression analysis and Pearson moment correlation analysis. The researcher used a correlation matrix to test for the correlation between the variables. The dependent variable in this study was firm performance while the independent variables were restructuring, systems change, corporate culture change and management change.

Karl Pearson Moment Correlation Analysis

Karl Pearson Moment correlation helps in testing the relationship between the explanatory variable so that the strength of the variables could be determined, to help determine which variable best explains the relationship between strategic change and firm performance. The results are as shown in Table 4.14.
Table 4.14: Correlations between Strategic Change and Performance of SEKL

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlations</th>
<th>Performance of SEKL</th>
<th>Restructuring</th>
<th>Process/systems change</th>
<th>Corporate culture change</th>
<th>Leadership/management change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance of SEKL</td>
<td>Pearson</td>
<td>1</td>
<td>.321</td>
<td>.526</td>
<td>.122</td>
<td>.166</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.020</td>
<td>.032</td>
<td>.039</td>
<td>.024</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>Pearson</td>
<td>.321</td>
<td>1</td>
<td>.426</td>
<td>.166</td>
<td>.174</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.020</td>
<td>.002</td>
<td>.024</td>
<td>.030</td>
<td></td>
</tr>
<tr>
<td>Process/systems change</td>
<td>Pearson</td>
<td>.526</td>
<td>.426</td>
<td>1</td>
<td>.042</td>
<td>.103</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.032</td>
<td>.002</td>
<td>.047</td>
<td>.043</td>
<td></td>
</tr>
<tr>
<td>Corporate culture change</td>
<td>Pearson</td>
<td>.122</td>
<td>.166</td>
<td>.042</td>
<td>1</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.039</td>
<td>.024</td>
<td>.047</td>
<td>.046</td>
<td></td>
</tr>
<tr>
<td>Leadership/management change</td>
<td>Pearson</td>
<td>.166</td>
<td>.235</td>
<td>.103</td>
<td>.097</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.024</td>
<td>.047</td>
<td>.043</td>
<td>.046</td>
<td></td>
</tr>
</tbody>
</table>

These results show that the relationship among the variables was significant (performance of SEKL, restructuring, systems change, corporate culture change and management change). The results show that for all variables, the correlation coefficients were less than 0.05 meaning that the study data did not demonstrate severe multicollinearity. From the findings, performance of SEKL and restructuring were found to positively correlate with a value of 0.321 (p<0.05). Also, there was a positive relation between performance of SEKL and systems change with a correlation value of 0.526 (p<0.05); performance of SEKL and corporate culture change had a positive correlation with a value of 0.122 (p<0.05) while there was a positive relation between performance of SEKL and leadership/management change with a correlation figure of 0.166 (p<0.05).

These results show that there were positive correlations between performance of SEKL and restructuring, process change, corporate culture change as well as 64
management change. This implies that for every unit change in the variables, there was a positive change on firm performance. This is in accordance with Ndahiro et al. (2015) that strategic change components leadership style, culture, management, organizational structure and internal processes play a crucial role motivating change, creating a vision describing the core ideology, sustaining momentum, developing political support from key stakeholders for the change and managing the transition.

Coefficient of Determination

The researcher extracted the model summary which portrays the coefficient of determination. Table 4.15 shows the results of the model summary.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.797*</td>
<td>.635</td>
<td>.620</td>
<td>.269</td>
</tr>
</tbody>
</table>

From the model summary, $R^2 = 0.635$ and adjusted R square 0.620 revealed that 63.5% change in performance of SEKL could be explained by the changes of all the predictor variables. It shows that the independent variables had a strong correlation with the dependent variable. On the other hand, 36.5% was explained factors that were not part of this research. The results imply that strategic changes adopted by SEKL contribute a major part of the Organizational performance. This is also in agreement with Courtney (2016) successful strategic change process helps increase the firm’s performance.

Analysis of Variance

The analysis of variance (ANOVA) was used to check whether strategic change and performance of SEKL had a regression relationship. The F-ratio in the ANOVA table
tested whether the formed regression model was good and fit for the data. The results
obtained are presented in Table 4.16.

Table 4.16: ANOVA Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>8.44</td>
<td>4</td>
<td>2.11</td>
<td>2.912</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>44.64</td>
<td>62</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>53.08</td>
<td>66</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that F=2.912 was significant since p<0.001 which was less
than p value, p =0.05. The critical values for F-test (4, 66, at 0.05 alpha is 2.51) which
was less than the computed F-value (2.912). This therefore was an indication that the
model was fit for finding out the relationship between the independent and dependent
variables.

Regression Coefficients

The researcher further did a regression analysis to determine how strategic change
and performance of SEKL relate. The results are as shown in Table 4.17.

Table 4.17: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.580</td>
<td>.189</td>
<td>.296</td>
<td>3.079</td>
</tr>
<tr>
<td>Restructuring</td>
<td>.489</td>
<td>.093</td>
<td>.227</td>
<td>2.034</td>
</tr>
<tr>
<td>Process/systems change</td>
<td>.417</td>
<td>.102</td>
<td>.315</td>
<td>2.133</td>
</tr>
<tr>
<td>Corporate culture change</td>
<td>.384</td>
<td>.133</td>
<td>.425</td>
<td>2.881</td>
</tr>
<tr>
<td>Leadership/management change</td>
<td>.357</td>
<td>.120</td>
<td>.521</td>
<td>3.821</td>
</tr>
</tbody>
</table>

The coefficients in Table 4.17 answered the regression equation relating the
independent and the dependent variables. Table 4.17 shows that the results were
significant as all the variables’ significance value were less than 0.05. The significance of
the coefficients was tested at 95% confidence level. Also, there was an indication from the 
table that all the variables indicated a positive coefficient indicating a positive relationship 
between the independent and dependent variables. From the coefficients above, the regression 
model \((Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon)\) therefore becomes;

\[ Y=0.580+0.489X_1+0.417X_2+0.384X_3+0.357X_4 \]

The model indicates that holding the predictor variables constant, the performance 
of SEKL would have a coefficient of 0.580. From the results, the regression coefficient 
for restructuring is 0.489. This had a significant value of 0.024 which is less than 0.05 
depicting the significance of the relationship between restructuring and performance of 
SEKL. Therefore, based on these, there was a positive and significant relationship 
between a unit restructuring and performance of SEKL. This shows that a unit increase in 
the restructuring would result to 0.692 times increase in performance of SEKL.

The results also show that the performance of SEKL was positive and significantly 
related to the systems change. This is indicated by a regression coefficient of 0.417 which 
is a positive coefficient and a p-value of 0.038 less than 0.05 showing the significance of 
the relationship. Based on the coefficient, it is evident that a unit increase in process 
change would result to 0.417 times increase in performance of SEKL.

Corporate culture change was also seen to have a positive effect on the 
performance of SEKL. This is shown by the regression coefficient of 0.384 with a 
significance value of 0.039 which is less than 0.05 the critical value at the 5% level of 
significance. This therefore shows that given a unit increase in corporate culture change 
would result to 0.384 increase in performance of SEKL.
The regression model as well shows that leadership change was positively related to performance of SEKL. The regression coefficient for this was obtained to be 0.457 with a significant value of 0.041 less than 0.05 indicating a significant effect of leadership or management change on performance of SEKL. Thus, a unit growth in management change would result to 0.357 times increase in performance SEKL. Therefore, according to the study findings restructuring contributed more to the increase of performance of SEKL followed by systems change, then corporate culture change while management change contributes the least to the performance of SEKL. The results are a reflection of Sang et al. (2017) who established that strategic change management has a positive effect on the performance of hotels in Nairobi. This also coincides with Atieno (2009) who established that strategic change management aspects and the performance of Airtel relationship were positive.

Strategic Change Implementation Challenges

The study further sought to identify the challenges experienced by Schneider Electric Kenya Limited in the implementation of strategic change. The results depicted in Table 4.18 show the respondents’ agreement with the challenges faced in Schneider Electric Kenya Limited during the implementation of strategic changes.
Table 4.18: Challenges Faced During Implementation of Strategic Changes

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of proper communication in SEKL</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td>13</td>
</tr>
<tr>
<td>Resistance to change due to the lack of skills and knowledge on what is</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>11.9</td>
<td>14</td>
</tr>
<tr>
<td>required of them in the change.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of employee involvement in the strategic change decision making</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>10.4</td>
<td>23</td>
</tr>
<tr>
<td>process.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fear of retrenchment.</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Fear of failure</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>13.4</td>
<td>17</td>
</tr>
</tbody>
</table>

From the study, most of the respondents affirmed that the company experienced challenges of lack of proper communication in SEKL. A majority of the respondents at 61.2% indicated that there was resistance to change due to the lack of skills and knowledge on what was required of them in the change was a challenge. The respondents agreed that lack of employee involvement in the strategic change decision making process was a challenge in SEKL as supported by 52.3% of the respondents. Also, 61.2% indicated that the employees of the company experienced fear of retrenchment and 55.3% indicated that fear of failure experienced in SEKL.

On the other hand, 23.9% of the respondents indicated neutrality on the challenges faced by SEKL during the change implementation process. This implies that the respondents were indifferent or resentful about the organization. The findings agree with Lund and Whitt (2017) who observed that organizations operating in a dynamic environment experience challenges of incompatibility of organizational structure, employee resistance, technological systems, culture and cost associated with change.
The findings also revealed that top management reported resistance to change, poor communication and fear of retrenchment as the key challenges to strategic change implementation in SEKL. There were fears of pursuing the change process, structural incompatibility, insufficient finances or resources to push the change process and reluctance to change the organizational culture.

Communication and Training

Communication and training played an intervening role on how strategic change affected firm performance in the energy industry in Kenya. Accordingly, it was a requirement for the respondents to rate the extents to which communication and training had an effect on strategic change and performance of SEKL. The results depicted in Table 4.19 show that communication and training were important factors in the successful implementation of strategic change.

<table>
<thead>
<tr>
<th>Statements on Communication and Training</th>
<th>No extent</th>
<th>Little extent</th>
<th>Moderate extent</th>
<th>Large extent</th>
<th>Very large extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent does communication affect strategic change and performance of SEKL</td>
<td>1 1.5 11 16.4 14 20.9 36 53.7 5 7.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent does training affect strategic change implementation and performance at SEKL</td>
<td>0 0 10 15.4 20 29.9 31 46.3 6 8.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Table 4.19, 53.7% of respondents reported to a very large extent and 53.7% respondents to a large extent that communication affected strategic change and performance of SEKL. With regard to whether communication affected strategic change and SEKL performance 20.9% of the respondents agreed to moderate extent, 16.4% rated
the effect to be little while 1.5% stated that communication affected strategic change and performance of SEKL to no extent. These responses contributed to an overall percentage of 61.2% which implied a significant effect of communication on strategic change and performance of SEKL.

In addition, 8.4% of the responses showed that training affected strategic change implementation and performance at SEKL to a very large extent, 46.3% reported that training affected strategic change implementation and performance at SEKL to a large extent. This was followed by 29.9% who indicated to a moderate extent and 15.4% who rated the effect to be to a little extent. These responses resulted to an overall percentage of 54.7% which generally implied that the responses indicated that training affected strategic change implementation and performance at SEKL to a significant extent.

The top management in addition reported that communication and training were responsible for explaining the change strategy, explaining the importance of the changes, describing the details of the strategic changes and checking the internal weaknesses. They further explained that communication and training were crucial for ensuring capacity development among the employees. This is in line with Armstrong (2009) who argued that the setting of formal internal communication objectives converts the organization’s teams’ direction into specific performance targets to be achieved and protects against drift confusion over what to accomplish.

Summary of Key Findings

i. The study found that the strategic changes have been implemented in SEKL. According to 80.6% of the respondents, change of company restructuring had been implemented in SEKL, leadership or management changes had also taken place as reported by 71.6% of
the respondents, 64.2% indicated that process changes had been implemented in SEKL and 25.4% revealed that the organization had employed corporate culture change.

ii. The study established that SEKL determined its performance through non-financial measures. Employees were aware of how the organization measured its non-financial performance as shown by 61.2% of the respondents. Customer satisfaction was found to be vital at SEKL and is used as a measure of performance as indicated by 58.2% of employees. 61.2% of respondents indicated that internal processes efficiency and effectiveness determined the performance of SEKL. Employee satisfaction was found to be a measure of performance in SEKL as indicated by 61.2%. The top management unanimously reported that employee satisfaction was a measure of performance at SEKL.

iii. Strategic change positively affected the performance of a firm.

iv. Restructuring positively affected the performance of SEKL as indicated by 58.8% on average of the respondents and there was more efficiency in the internal processes post the system change as indicated by 58.7%.

v. Culture change affected the performance of SEKL as indicated by 58.9% of staff. The correlation coefficients for all variables were less than 0.05 and there were positive correlations between performance of SEKL with restructuring \( (r=0.321) \), systems change \( (r=0.526) \), corporate culture change \( (r=0.122) \) and management change \( (r=0.166) \).

vi. The coefficient of determination \( (r^2 = 0.635) \) reveals that 63.5% change in performance of SEKL could be explained by the variation all the predictor variables.
vii. From the ANOVA test, the model was deemed fit to predict the relationship between strategic change and performance of SEKL (F calculated was 2.912 at a significance p<0.05, while the corresponding F critical was 2.51).

viii. Restructuring contributed more to performance of SEKL (β=0.489, t=2.034 and p=0.024), followed by process change (β=0.417, t=2.133 and p=0.038), then corporate culture change (β=0.384, t=2.881 and p=0.039) while management change contributes the least (β=0.357, t=3.821 and p=0.041).

ix. Challenges that plagued SEKL in implementation of strategic changes included resistance to change, the employees of the company experienced fear of retrenchment, lack of proper communication, lack of involvement of staff in the strategic change process of making decisions and fear of failure score was low comparatively.

Summary

This chapter focused on data analysis, presentation and findings’ interpretation from the research on the effect of strategic change on firms’ performance in the energy industry in Kenya. The following chapter is on conclusions, discussions of key findings and recommendations of the study.
CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this chapter, the discussions, conclusions and recommendations of the research are presented. The chapter discusses the results of based on the research objectives. The study results lead to the recommendations and conclusions from chapter four analyses. The chapter the presents the areas suggested for further studies.

Discussion of Key Findings

Strategic changes adopted by SEKL

The study sought to identify the strategic changes adopted by Schneider Electric Kenya Limited. The study results showed that change of company structure or restructuring had been implemented in SEKL as supported by 80.6% of the respondents, 71.6% reported executed management changes, 64.2% indicated that the organization had implemented process changes and 25.4% showed that the organization had employed corporate culture change.

The other strategic changes adopted by SEKL included business model change, the company had also developed its employee skills through nurturing and training, there was employee motivation through less working hours per week, there was provision of lunch subsidies, change in communication channels and adoption of business model for sales. This concurs with Kaplan (2010) that the various strategic changes include leadership style, culture, management, organizational structure and internal processes.

The company had also implemented capacity building for training individuals (mainly the technicians) as well as recruitment of experienced teams and that there was
regional expansion through partnering with other organizations. Aguirre et al. (2004) pointed out that strategic changes such as restructuring, process enhancement, new business models, new product lines, technological changes or realignments and changing customer demand are common in the current business environments. These included management focus and adoption of organizational restructuring for project solutions and financial or resources concentration, knowing the customers, identifying key performance indicators and identifying the organizational or leadership roles and responsibilities.

Restructuring was among the key changes adopted in the SEKL. It involved departmental transformations, massive recruitment of employees with key capabilities and staff movements and alignment of qualification and roles. A majority of the respondents at 55.2% agreed that departmental transformations were ongoing to a large and very great extent. This agrees with Aquinas (2008) who highlighted that restructuring entails moving employees from departments, promoting others, demoting others, hiring or firing employees and it’s a key process for an organization to facilitate its strategic direction and better performance.

System or process change implemented in the organization includes introduction of new systems or processes as well as digitization of processes like the leave management process, training, sales force, tender approval process and project management and communication enhancement and collaboration through online systems. Fifty-eight percent of the respondents indicated that new systems or processes had been introduced in the organization to a very great and great extent and 52.3% indicated that digitization of processes like the leave management process, training, sales force, tender
approval process and project management had been enforced to a great and very great extent.

Alongside the corporate culture changes implemented, there had been encouragement of high performance culture in the organization and customer centric culture was introduced in SEKL and employee well-being was imperative. With regard to whether high performance culture was encouraged in the organization, 56.7% agreed to a great extent, 59.7% indicated that customer centric culture was introduced in SEKL to a very great and 61.2% reported that employee well-being was imperative to a great extent. This is in agreement with Nill and Schibrowsky (2015) who indicated that cultural changes occur in the norms, expectations, principles, symbols and working habits of an organization. These changes are directed towards the betterment of employee skills, performance, behavior, attitudes, and organizational loyalty, as well as to improve relationships between managers and subordinate, staff sense of achievement and group cohesion.

On leadership or management change, the study found that there had been changes in the leadership of SEKL and that managers in SEKL were adopting new leadership styles in their roles. Fifty-eight percent of the respondents indicated that there had been changes in the leadership of SEKL to a very great and great extent and 61.2% reported that the managers in SEKL were adopting new leadership styles in their roles to a great and very great extent. These results are in agreement with Northouse (2009) who stated that leadership changes are made to the roles and responsibilities of departments, organization's objectives, individuals and teams and it involves adjustments in the administrative procedures, hierarchy of authority, structural characteristics, management
systems and goals. The leaders in the strategic change process of the organization are responsible for placement of the right people to their right places in strategic change process, employee coaching, staff training, communicating effectively to the employees and evaluation of the strategic change process.

Non-financial Performance Measurement

The study further sought to establish how Schneider Electric Kenya Limited measured its non-financial performance. A majority of the respondents at 61.2% indicated that the organization measured its non-financial performance. 58.2% stated that customer satisfaction was key at SEKL and was used as a measure of performance, 61.2% agreed that internal processes efficiency and effectiveness determined the performance of SEKL to great and very great extents, 52.3% of respondents indicated that SEKL was a learning company and it measured its performance based on learning and growth to great and very great extents. Accordingly, customer satisfaction was found to key at SEKL and is used as a measure of performance, internal processes efficiency and effectiveness determined the performance of SEKL and employees were aware of how the organization measures its non-financial performance.

Further, employee satisfaction was considered as a measure of performance in SEKL and that SEKL was a learning company and it measured its performance based on learning and growth. SEKL also measured its non-financial performance through periodic monitoring of the system, performance evaluation and employee evaluation. The organization measured performance in terms of customer net promoter score (a survey conducted on quarterly basis), employee promoter score (for establishing employee satisfaction), process performance (done using a dashboard - on-time delivery to 77
customer - OTDC), back order lines (BOL), employee assessment, customer survey, development plan for employee, efficiency of the process, safety risk management and business ethics. Courtney (2016) points out that organizations that perform well report increase in the success rate of the change process, increment in employee involvement, growth in employee capabilities customer satisfaction.

The study established that SEKL measured the satisfaction of their employees through employee satisfaction surveys, obtaining feedback from the HR manager and through annual appraisal forums. The effectiveness and efficiency of the internal processes in SEKL determined its performance. SEKL was a learning organization whose maturity was different and competency review was done for all employees. Drury (2004) also reported that employee satisfaction leads to employee retention that leads to increased productivity and organizational profits while unsatisfied employees drive customers away with their poor service leading to low profits. Learning and growth as measure of firm performance ensures that firms can continue to streamline systems and process for value creation, innovation, technology leadership, manufacturing learning and time to market.

Effect of the Strategic Changes Adopted on the Performance of SEKL

The study further sought to assess the effect of the strategic changes adopted on the performance of Schneider Electric Kenya Limited. The findings established that 61.2% of the respondents agreed that they had more faith in the organization, 59.7% reported that staff were satisfied with their involvement in decision making, 56.7% agreed that jobs are finished within a shorter period and 58.2% agreed that after restructuring, it took a shorter period to make changes. Accordingly, making decisions did not take long since the 78
restructuring, jobs were finished within a shorter period, employees were satisfied with their involvement in decision making, employees had more faith in the organization and that there was good engagement between staff and management. Burnes (2004) emphasized that restructuring is a profound shift in the way a business operates and change helps organizations radically restructure their organizations, emphasizes a holistic focus on business objectives, encouraging full-scale recreation of processes, facilitates peoples’ involvement and it reduces the uncertainty levels.

On system or process change, there was more efficiency in the internal processes, there was improved services and products quality due to the systems change, more customer data could be processed with the use of new technology and more information about the customers, suppliers and partners could be found with the click of a button. From the study, 58.2% of the respondents agreed that there was improved quality of products and services due to the systems change, 56.7% agreed that more customer data could be processed with the use of new technology, 59.7% reported that more information about the customers, suppliers and partners could be found with the click of a button and 58.2% of the respondents agreed that there was more efficiency in the internal processes. This is in line with Vithessonthi and Thoumrungroje (2011) that use of modern data processing systems, advances in software that increase job efficiency, help companies to gain competitive advantage, improve employees’ performance (efficiency, effectiveness, increase in sales as well as achievement of corporate goals.

With regards to corporate culture change, high performance culture was enhanced and encouraged in SEKL, employees were customer centric, employees experienced personal growth through learning culture, the organization was interested in employees’
welfare and that SEKL employees were guided by and conformed to professional standards of conduct. This was confirmed by 52.3% of the respondents who agreed that high performance culture was enhanced and encouraged in SEKL, 59.7% agreed that SEKL staff were customer centric, 61.2% established that employees experienced personal growth through learning culture and 52.3% stated that the organization was interested in employee’s welfare. According to Nill and Schibrowsky (2015), organizational culture influences employees to support the organizational strategies, affects the ways in which employees and managers play their roles in reacting to the environment, serving customers, approaching problems and carrying out their various activities for self and stakeholder satisfaction.

From the study, strategic changes affected the performance of SEKL in terms of employee satisfaction, internal processes and growth and learning. In addition, areas affected by these changes included organizational structure, team mindset, business performance, customer satisfaction due to communication and feedback effectiveness, there was team responsibility, employee satisfaction, effectiveness in internal processes and increased capacity development through training.

The Pearson moment correlation results showed that the coefficients of correlation were less than 0.05 for all variables. The performance of SEKL and restructuring were found to positively correlate with a figure of 0.321 (p<0.05); the results also showed that the performance of SEKL and systems change positively correlate with a figure of 0.526 (p<0.05); the correlation between performance of SEKL and corporate culture change was positive with a value of 0.122 (p<0.05). Lastly,
management change and the performance of SEKL were found to positively correlate with a value of 0.166 (p<0.05).

The model summary revealed that 63.5% of the performance of SEKL could be due to the changes of all the predictor variables. The regression model indicated that holding the predictor variables constant, the performance of SEKL would have a coefficient of 0.580. Restructuring contributed more to performance of SEKL (β=0.489, t=2.034 and p=0.024), followed by systems change (β=0.417, t=2.133 and p=0.038), then corporate culture change (β=0.384, t=2.881 and p=0.039) while management change contributes the least (β=0.357, t=3.821 and p=0.041). For change to be successful, effective communication and training are important (Nil & Schibrowsky, 2015). Accordingly, communication and training are responsible for explaining the strategic changes, the importance of the changes, describing the details of the strategic changes and checking the internal weaknesses.

Challenges Experienced by SEKL while Implementing Strategic Change

The study also sought to identify the challenges experienced by Schneider Electric Kenya Limited while implementing strategic change. The study revealed that the challenges faced SEKL in strategic change implementation process included resistance to change due to the lack of skills and knowledge on what was required of them in the change; the employees of the company experienced fear of retrenchment; lack of proper communication; lack of staff involvement in the strategic change process of making decisions and fear of failure.

The results also revealed that 61.2% of the respondents affirmed that resistance to change due to the lack of skills and knowledge on what was required of them in the
change was a challenge, 61.2% indicated that the employees of the company experienced fear of retrenchment while lack of employee involvement in the strategic change decision making process and fear of failure was not highly experienced in SEKL as 47.7% and 44.8% staff respectively either disagreed or were neutral about these aspects. There were also fears of pursuing the change process, structural incompatibility, and insufficient resources to push the change process and reluctant to change the organizational culture. In the same line, Lund and Whitt (2017) observed that organizations experience challenges while operating in a dynamic environment.

Conclusion
The study made the following conclusions:

i. The company implemented structural changes, management changes, process changes and corporate culture change as the key strategic changes. The changes involved capacity building for training individuals, recruitment of experienced teams and regional expansion through partnering.

ii. Customer satisfaction was important at SEKL and was used as a measure of performance, internal processes efficiency and effectiveness determined the performance of SEKL and employees were aware of how the organization measures its non-financial performance.

iii. The company also measured its non-financial performance through periodic monitoring of the system, performance evaluation and employee evaluation.

iv. Employee satisfaction was considered as a measure of performance in SEKL and that SEKL was a learning company and it measured its performance based on learning and growth. SEKL also measured its non-financial performance through
periodic monitoring of the system, performance evaluation and employee evaluation.

v. Strategic changes at SEKL led to efficiency in internal processes, employee satisfaction and learning, revenue growth, flexibility, creativity and participation and operational advantages; decision making took a shorter time since the restructuring, jobs were finished within a shorter period, employees were satisfied with their involvement in decision making; there was more efficiency in the internal processes, there was improved services and products quality due to the systems change, more customer data could be processed with the use of new technology; high performance culture was enhanced and encouraged in SEKL.

vi. Schneider Electric Kenya Limited employees were customer centric, employees experienced personal growth through learning culture, the organization was interested in employees’ welfare and that SEKL employees were guided by and conform to professional standards of conduct.

vii. The company faced challenges of resistance to change due to the lack of skills and knowledge on what was required of them in the change; the employees of the company experienced fear of retrenchment; lack of proper communication; lack of employee involvement in the strategic change decision making process. There were also communication challenges, resistance to change, fears of pursuing the change process, structural incompatibility, insufficient finances or resources to push the change process and reluctant to change the organizational culture.
Recommendations

Based on the study findings, the following recommendations were made:

i. The company had implemented restructuring, leadership or management changes, systems or process changes and corporate culture change as the key strategic changes. The study recommends that resources, being a major success determinant of the strategic change process, there is need for the organization to implement ways of cash generation with an aim of ensuring sustenance of the organization during change implementation and generation of enough resources to foster its decisions, targets, objectives and strategic directions.

ii. The company measured its performance using different approaches including customer satisfaction, internal processes efficiency, process effectiveness and employees’ satisfaction. Being an electrical engineering company providing integrated solutions and among the first electrical engineering companies to get certified in quality management systems there is need to measure the long-term growth of the company in terms of market share and customer base.

iii. There is need for the company to engage or consult external experts to carry out baseline surveys and market studies to establish the overall market performance and the specific position of the company as a market leader.

iv. The company having transformed to an MNC enjoyed economies of scale in its performance. As such, the study recommends a global analysis of the performance of the company within and beyond the Kenyan boarders to identify the strength, weaknesses, opportunities and threats in its operations.
v. Strategic changes led to efficiency in internal processes, employee satisfaction and learning, revenue growth, flexibility, creativity and participation and operational advantages. In addition, cultural changes and enhancing leadership changes were found to contribute remotely to the performance of SEKL. In this regard, there is need for increased vibrancy in corporate culture changes and strengthening leadership changes to enhance their contribution to the organizational performance.

vi. In order to increase the performance of SEKL upon implementation of change, the organization needs to review the employee performance management with regard to the accomplishment of change goals, address performance issues and reward those who successfully accomplish the goals as a way of encouraging others. This leads to sustenance of the momentum.

vii. The company faced challenges of resistance to change due to the lack of skills and knowledge on what is required of them in the change; fear of retrenchment; lack of proper communication; lack of staff involvement in the process of making decisions in strategic change. Accordingly, this study recommends that there is need for thorough preparation of the change process through training, capacity building, establishing effective communication channels and identifying the key areas that can pose challenges in the organizational change process.

viii. The company should incorporate participation and involvement of employees in the design and implementation of change aspects, listen to people and use their advice as this leads to commitment as well as reduces the loop holes that lead to resistance.
Areas for Further Research

This research focused on establishing how the performance of SEKL is affected by strategic change. The study mainly investigated the four key strategic changes (restructuring, systems change, corporate culture change and management change. A similar study should be done on firms in other sectors for the purposes of benchmarking and generalizing the findings since the operating environment has become very volatile following the high level of globalization over the recent past. In this regard, other studies could be conducted on a larger sample drawn from public and private sector as well as large and small enterprises. This study involved SEKL employees based in Nairobi. Other research should therefore be carried out to involve employees in other countries in East Africa. The study also recommends that further research should be done for other aspects of strategic change and firm performance.
REFERENCES


APPENDICES

Appendix A: Questionnaire

My name is Noel Saya, a student at Daystar University pursuing a Master’s in Business Administration, majoring in Strategic Management. As a partial requirement of the degree, I am conducting a research on The Effect of Strategic Change on the Performance of Firms in the Energy Industry in Kenya. To do this, I request for a few minutes of your time to complete this questionnaire. The information collected is for academic research purpose only and will be treated with utmost confidentiality. I will highly appreciate your participation in facilitating this study.

SECTION A: GENERAL INFORMATION

[Tick as appropriate]

1. Gender
   Male [ ]   Female [ ]

2. Age Group
   18 years - 29 Years [ ] 30 years - 39 years [ ] 40 years - 49 years [ ]
   50 years - 59 years [ ] 60 years and above [ ]

3. Highest Level of Education
   Diploma level [ ] Graduate level [ ] Post-graduate level [ ]
   Others (Specify)……………………………

4. How long have you worked in this organization?
   Below 1 year [ ] 1-3 years [ ] 4-5 years [ ] Above 5 years [ ]

5. What category of employee are you in?
   Top Management [ ] Middle Management [ ] Lower Management [ ]
   General Employee [ ] Others (specify)……………………………
SECTION B: STRATEGIC CHANGE

6. a) Based on your experience, what are the strategic changes that have been implemented in SEKL? {Tick where applicable}.

<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Tick</th>
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</thead>
<tbody>
<tr>
<td>1. Change of company structure/ Restructuring</td>
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</tr>
<tr>
<td>2. Systems/ Process Change</td>
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</tr>
<tr>
<td>3. Corporate Culture Change</td>
<td></td>
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<tr>
<td>4. Leadership/ Management Change</td>
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</tbody>
</table>

b) State any other strategic change adopted by SEKL.

……………………………………………………………………………………
……………………………………………………………………………………

7. The following statements relate to the extent to which the strategic change components apply to SEKL. Please indicate whether you agree or disagree on the following statements. {Tick where appropriate} 1= No Extent 2= Small Extent 3= Moderate Extent 4= Great Extent 5= Very Great Extent

<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tbody>
<tr>
<td>Restructuring</td>
<td>i. Departmental transformations are ongoing.</td>
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<td></td>
<td>ii. There is massive recruitment of employees with key capabilities.</td>
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<td></td>
<td>iii. Staff movements and alignment of qualification and roles.</td>
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<tr>
<td>System/ Process Change</td>
<td>i. New systems/ processes have been introduced in the organization.</td>
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<td></td>
<td>ii. Digitization of processes like the leave management process, training, sales force, tender approval process and project management.</td>
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<td></td>
<td>iii. Communication enhancement and collaboration through online systems.</td>
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<tr>
<td>Corporate Culture Change</td>
<td>i. High performance culture is encouraged.</td>
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<tr>
<td></td>
<td>ii. Customer centric culture was introduced in SEKL.</td>
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</table>
iii. Employee well-being is imperative.

### Leadership/Management Change

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<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>i. There have been changes in the leadership of SEKL.</td>
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<tr>
<td>ii. Managers are adopting new leadership styles in their roles.</td>
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SECTION C: EFFECT OF STRATEGIC CHANGE ON FIRM PERFORMANCE

8. The following statements relate to the effect of strategic change on the performance of SEKL with regards to internal processes, employee satisfaction and learning and growth. Please indicate whether you agree or disagree on the following statements.

(Tick where appropriate) 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring</td>
<td>i. There is good engagement between staff and management.</td>
</tr>
<tr>
<td></td>
<td>ii. After restructuring, decision making takes a shorter time.</td>
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<tr>
<td></td>
<td>iii. Jobs are finished within a shorter period.</td>
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<td></td>
<td>iv. Employees have more faith in the organization.</td>
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<tr>
<td></td>
<td>v. Employees are satisfied with their involvement in decision making</td>
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</table>

<table>
<thead>
<tr>
<th>Strategic Change</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>System/Process</td>
<td>i. There is improved quality of products and services due to the systems change.</td>
</tr>
<tr>
<td></td>
<td>ii. More customer data can be processed with the use of new technology.</td>
</tr>
<tr>
<td></td>
<td>iii. More information about the customers, suppliers and partners can be found with the click of a button.</td>
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<tr>
<td></td>
<td>iv. There is more efficiency in the internal processes.</td>
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93
Corporate Culture Change

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
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<tbody>
<tr>
<td>i.</td>
<td>High performance culture is enhanced and encouraged in SEKL.</td>
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<tr>
<td>ii.</td>
<td>SEKL employees are customer centric.</td>
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<td>iii.</td>
<td>Employees experience personal growth through learning culture.</td>
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<td>iv.</td>
<td>The organization is interested in employees’ welfare.</td>
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<td>v.</td>
<td>SEKL employees are guided by and conform to professional standards of conduct.</td>
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SECTION D: FIRM PERFORMANCE

This section seeks to determine the performance of SEKL from 2016 to 2017.

9. The statements below relate to performance of SEKL. Kindly rate the statements on the scale given below. {Tick where appropriate} 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
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</thead>
<tbody>
<tr>
<td>1. Employees are aware of how the organization measures its non-financial performance?</td>
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<tr>
<td>2. Employee satisfaction is considered as a measure of performance in SEKL.</td>
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<tr>
<td>3. Internal processes efficiency and effectiveness determine the performance of SEKL.</td>
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<tr>
<td>4. SEKL is a learning company and it measures its performance based on learning and growth.</td>
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<tr>
<td>5. Customer satisfaction is key at SEKL and is used as a measure of performance.</td>
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</tbody>
</table>

SECTION E: STRATEGIC CHANGE IMPLEMENTATION CHALLENGES

10. What challenges did Schneider Electric Kenya Limited face during the implementation of strategic change?

{Tick where applicable}. 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree
Lack of proper communication in SEKL  
Resistance to change due to the lack of skills and knowledge on what is required of them in the change.  
Lack of employee involvement in the strategic change decision making process.  
Fear of retrenchment.  
Fear of failure

SECTION F: COMMUNICATION AND TRAINING

7. The statements below relate to the moderating effect of communication and training on the relationship between strategic change and firm performance of SEKL. Please rate the statements on the scale given below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>To what extent does communication affect strategic change and performance of SEKL?</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii</td>
<td>To what extent does training affect strategic change implementation and performance at SEKL?</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Thank you for your response.
Appendix B: Interview Questions

EXAMINING STRATEGIC CHANGE AND FIRM PERFORMANCE IN SEKL

Introductory Questions
1. For how long have you worked in SEKL?
2. How would you describe the role of your organization/department with regards to the overall strategy of the SEKL?
3. What strategic changes has SEKL put in place to ensure that the company achieves sustainable competitive advantage?
4. Of these strategies, which ones directly relates to your team?
5. In your view, what is the significance of effective communication and training on the successful implementation of strategic change?
6. What is your role as a leader in the strategic change process of the organization?

Firm Performance
7. How does SEKL measure its non-financial performance?
8. As a manager of your department, do you measure the satisfaction of your employees?
9. In your opinion, does the effectiveness and efficiency of the internal processes in SEKL determine its performance?
10. In your view, is SEKL a learning organization?

Strategic Change, Implementation Challenges and Firm Performance
11. In your opinion, does strategic change affect the performance of SEKL? If yes, what do you think is the effect of the strategic changes on the performance of SEKL in terms of employee satisfaction, internal processes and growth and learning?
12. What are the challenges that have been experience in SEKL during the strategic change implementation phases?
Appendix C: Research Permit

THIS IS TO CERTIFY THAT:
MS. NOEL ONDISO SAYA
of DASTAR UNIVERSITY, 8-50205
WEBUTE, has been permitted to conduct
research in Nairobi County

on the topic: THE EFFECT OF
STRATEGIC CHANGE ON A FIRMS
PERFORMANCE IN THE ENERGY
INDUSTRY IN KENYA: A CASE OF
SCHNEIDER ELECTRIC KENYA LIMITED.

for the period ending:
20th February, 2019

Applicant's Signature

Director General
National Commission for Science,
Technology & Innovation

Permit No : NACOSTI/P/18/68443/21367
Date Of Issue : 20th February, 2018
Fee Recieved : Ksh 1000
Appendix D: Research Authorization

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

NACOSTI/P/18/68443/21367

Noel Ondiso Saya
Daystar University
P.O Box 44400-00100
NAIROBI

Date: 20th February, 2018

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “The effect of strategic change on a firm’s performance in the energy industry in Kenya: A case of Schneider Electric Kenya Limited” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 30th February, 2019.

You are advised to report to, the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Commissioner
Nairobi County.
Appendix E: Anti-plagiarism Report

Saya

<table>
<thead>
<tr>
<th>ORIGINLITY REPORT</th>
<th>SIMILARITY INDEX</th>
<th>INTERNET SOURCES</th>
<th>PUBLICATIONS</th>
<th>STUDENT PAPERS</th>
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<td><strong>12%</strong></td>
<td><strong>5%</strong></td>
<td><strong>13%</strong></td>
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</tbody>
</table>

**PRIMARY SOURCES**

1. Submitted to Daystar University
   - Student Paper
   - **3%**

2. Submitted to Kenyatta University
   - Student Paper
   - **1%**

3. erepo.usiu.ac.ke
   - Internet Source
   - <1%

4. Submitted to Mount Kenya University
   - Student Paper
   - <1%

5. uir.unisa.ac.za
   - Internet Source
   - <1%

   - Publication
   - <1%

7. www.slideshare.net
   - Internet Source
   - <1%

8. 41.204.187.24
   - Internet Source
   - <1%

9. Submitted to Africa Nazarene University


Appendix F: Ethics Review

Daystar University Ethics Review Board

Our Ref. DU-ERB/01/02/2018/00088

Date: 01-02-2018

Saya Noel Ondiso

Dear Saya,


Reference is made to your request dated 18-01-2018 for ethical approval of your proposal by Daystar University Ethics Review Board.

We are pleased to inform you that ethical review has been done and approval granted. In line with the research projects policy, you will be required to submit a copy of the final research findings to the Board for records.

Before proceeding to the next stage, ensure the following attached comments are addressed to the satisfaction of your supervisor. Note that it's an offence to proceed without addressing the concerns of ERB.

This approval is valid for a year from 01-12-2018

This approval does not exempt you from obtaining a research permit from the National Commission for Science, Technology and Innovation (NACOSTI).

Yours sincerely,

Mrs. Purity Kiambi,
Secretary, Daystar University Ethics Review Board

[Signature]

...shall the day dawn, and daystar arise in your hearts.
2 Peter 1:19 KJV