

**INTEGRATING THE BUSINESS AND PEOPLE DIMENSION OF
CHANGE
AT
SAFARICOM LIMITED, KENYA**

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DECLARATION

I declare that this project is my original work and has never been presented for a degree award in this or any other university.

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DEDICATION

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ABBREVIATIONS AND ACRONYMS

3G:	Third Generations
ADKAR:	Awareness Desire Knowledge Ability Reinforcement
ARPU:	Average Revenue Per User
BNK:	Best Network in Kenya
CA:	Communication Authority of Kenya
CCK:	Communication Commission of Kenya
CDI:	Customer Delight Index
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CNM:	Core Network Maintenance
EABL:	East African Breweries Ltd
ESOP:	Employee Share Option Plan
ETACS:	Extended Total Access Communication System
G2:	Generation 2
GSM:	Global System for Mobile communications
HoD:	Head of Department

HR:	Human Resources
ITIL:	Information Technology Infrastructure Library
KPI:	Key Performance Indicator
KPTC:	Kenya Post & Telecommunication Corporation
Ltd:	Limited
LTE:	Long Term Evolution
MNO:	Mobile Network Operators
MVNO:	Mobile Virtual Network Operator
PwC:	Pricewaterhouse Coopers
SACCO:	Savings and Credit Co-operative
SLA:	Service Level Agreement
SIM:	Subscriber Interface Module
VoIP:	Voice over Internet Protocol

ABSTRACT

This research study is a case study carried out on Safaricom Limited, a leading mobile network operator in Kenya. The research study was carried out to identify integration of business and people dimension of change at Safaricom limited, Kenya. Business dimension of change is the fundamental changes in the business of the organization and its future direction while people dimension of change focuses on the behavioral aspect of an individual conduct to work in the desired ways. The research project was conducted by collecting primary qualitative data captured using a comprehensive interview guide and administered through direct personal interviews to six respondents who work in different positions and are directly involved in diverse ways with strategic change at Safaricom limited. The report contains an in-depth analysis and interpretation of the data, identifying key aspects of people dimension of change and business dimension of change in relation to how the two dimension of change have been integrated. The findings of the study revealed that Safaricom limited has embraced integration of business and people dimension of change through employee involvement in change formulation, proper feedback mechanism using employee survey and staff council which has resulted in successful implementation of change with very limited resistance while having sustainable profitability. This integration can be further improved through encouraging employees to use available avenues such as people surveys to genuinely express themselves and raise issues pertinent to improving the organization's climate to optimum productivity. On the other hand the organization should keep the communication channels widely open, provide regular feedback and be seen to respond and act on the suggestion given by employees continually. The study further established that for successful change to occur both people and business dimensions of change should occur simultaneously with employees transitioning in harmony. Therefore, in the current turbulent environment, learning organization must integrate the people dimension of change with the business dimension of change to remain competitive both in service delivery, as well being an employer of choice and as a partner of choice in business. The case study has focused on Safaricom limited only and therefore, the findings have not exhausted the mobile telephony industry, therefore further research should be replicated in another mobile network operator or in a service industry to verify this study's conclusions.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to Business Week (1992) special edition, "change can no longer be an occasional episode in the life of a corporation. Companies with rigid structures will be swept away. Corporate cultures that can adapt will survive and thrive..." (p.60). Taylor (1911) observed that some workers were more talented than others, and that even smart ones were often unmotivated. He observed that most workers who are forced to perform repetitive tasks tend to work at the slowest rate that goes unpunished. This reflects the idea that workers have a vested interest in their own well-being, and do not benefit from working above the defined rate of work when it will not increase their remuneration. Mayo (1933) put forward a proposition that humans have a deep need for recognition, security and belonging. Rather than being purely economic beings, the Hawthorne Experiments demonstrated that workers' performance and attitudes could be influenced more by their need for recognition and security, and by the feeling of belonging engendered by informal groups. According to proponents of behavioral approach, if managers understand their people and adapt their organizations to them, organizational success will usually follow (Certo & Certo, 2009). Organizations confront change due to changed circumstances; success of the change initiative within the organization can only be realized if and only if the people and business aspects of change are well integrated.

Contingency theorists have based their approach on Systems Theory, adopting the premise that organizations are open systems whose internal operations and effectiveness are dependent upon the particular situational variables they face at any one time, and that these

vary from organization to organization (Burnes, 2009). Scott (1987) observed that organizations are not closed systems, sealed off from their environments but are open to and dependent on flows of personnel and resource from outside. Organization, rather than being closed systems are viewed as open systems operating within a wider environment and having multiple channels of interaction (Mullins, 1993). The system approach views organization as a whole and the relationship between technical and social variables within it. Changes in one part, technical or social, will affect other parts and thus the whole system (Mullins, 2007).

Safaricom Kenya limited has been fraught with myriads of changes both systemic and people aspects. In order to achieve excellent performance organization are told to rationally analyze their situation and adopt change which is most appropriate for the contingencies they face, they have to align themselves with their size, technology and environment. For this to be realized change in organizations has two critical dimensions, business dimension and people dimension. Successful change happens when both dimensions of change occur simultaneously.

1.1.1 Business Dimension of Change

Strategic change is a process of radical transition that involves changing a company's vision, mission, objectives and strategy. A strategic change might include shifts in a corporation's policies, target market, mission or organizational structure. Mintzberg (1998) has offered five definitions of strategy: as a plan, a ploy, a pattern, a position and a perspective. According to Stacey (2003) Strategy comes to be understood as the evolving patterns of an organization's identity, continuously constructed and enacted in the interaction of

organizational practice. Therefore the environment where change is targeted must be in sync with any planned changes to mitigate on the tendency for the system as a whole to reject an attempted change, even when that change is promoted over a long period of time by a substantial fraction of the population.

Business dimension of change is thus the fundamental changes in the business of the organization and its future direction. Hiatt (2006) established that Business dimension of change includes identifying the business need or opportunity, defining the project (scope and objectives), designing the business solution (new processes, systems and organizational structure), developing new processes and systems, implementing solution into the organization and post implementation evaluation. Areas of concern entails analyzing what aspects of the organization will be affected, how significant are the alterations to status quo, how long will the change process last and how much will be the departure from the current business scenario.

1.1.2 People Dimension of Change

The people dimension is concerned with how employees and stakeholders experience the process of change. Lawler (2006) argues that he did not believe that people inherently resist change, he did not think there is an anti-change gene, he thinks people can learn to like change, certainly can learn to live with it, if the situation is correct. Ohmae (1986) and Stacey (2003) established that strategy is not a process at all but the outcome of a process: an outcome shaped not by mathematical models but by human creativity. Pavlov (1927) argued that human actions are conditioned by their expected consequences. Behaviour that is rewarded tends to be repeated, and behavior that is ignored tends not to be. Therefore, in

order to change behavior, it is necessary to change the condition that causes it (Skinner, 1974). Under the principle of extinction behaviour will stop eventually if it is not rewarded (Lovell, 1980). Hiatt (2006) under Prosci designed a model for managing people side of change and established that successful organizational change occurs only when each person is able to transition successfully.

The importance of embedding the people dimension of change to organizational behavior is attributed to the changes undertaken in order to avoid behavioral resistance. People dimension of change involves the alignment of the organization's culture, values, people, and behaviours to encourage the desired results. Effective management of people dimension of change has been defined by Hiatt (2006) ADKAR model as requiring managing five key phases namely, Awareness of the need for change, Desire to participate and support the change, Knowledge of how to change, Ability to implement the change and Reinforcement to keep the change in place. This process is said to be sequential and therefore, it is not possible to achieve success in one area unless the previous action has been addressed effectively.

Awareness entails understanding why change is necessary, it explains the reasoning and thought that underlies the required change. An individual then is able to reach a point where he makes a personal decision to support the change and participate in the change. Naturally a desire to support and be part of the change can only happen after full awareness of the need for change is established. The third step is providing knowledge about the change, achieved through down ward cascading of information using forums, formal training, coaching and mentoring. Once knowledge on how to change is in place (the theory) the

actual performance of the individual, needs to be supported involving practical training on skills required and exposure to the relevant applications. To ensure that change stay in place and that individuals do not revert to old ways, positive feedback, rewards, recognition, measuring performance and taking corrective actions is required thus the last step of reinforcing to sustain change.

1.1.3 Mobile Telephony Industry in Kenya

The information and telecommunication sector is increasingly integrated into the day to day activities of businesses and lives of households and individuals worldwide. Mobile telephony industry in Kenya has grown rapidly in the past decade from a duopoly in the year 2003 to the current oligopoly with a total of 31.3 million subscribers at the end of 2013. Mobile telephony growth has been driven primarily by wireless technologies which allowed for faster and cheaper rollout of mobile networks (Qiang, Rossotto & Kimura, 2009).

Mobile telephony in Kenya is managed by the Communications Authority of Kenya (CA) formerly Communications Commission of Kenya (CCK) changed as per Communication (Amendment) Bill 2013. Nationally, CCK reported a mobile penetration of 76.9%, with a total of 31.3 million mobile telephone subscribers in its latest report released in April 2014. Safaricom Limited recorded the largest share of 67.9 per cent; Airtel Networks Limited followed with 16.5 per cent, Essar Telecom (Yu Mobile) registered 8.5 per cent and Telkom Kenya (Orange) record 7.2 per cent (CCK 2014). Kenya's mobile market has changed significantly over the last few years with the introduction of the third and fourth Mobile Network Operators (MNOs), Yu and Orange. MNOs' networks now cover 96% of the population, and intense price competition has seen prices fall by over 70% in the last four

years, leading to a significant increase in usage levels. Price war has characterized Kenya's mobile communications sector in recent years. This has led to accelerated subscriber growth, but it has also presented challenges to the profitability of the operators, forcing them to streamline their operations and develop new revenue streams in an environment of falling average revenue per user (ARPU) in the voice market.

The telecom industry is rapidly evolving, shaped by the evolution of technology and light-speed innovation. It is also an industry that is constantly redefining itself. This presents communication providers with both opportunities to expand their business reach and threats from the entry of a myriad of nimble and aggressive new players thus competition here is at its best (Resende, 2013). Due to increased uncertainty of the future, accelerated tempo of new technology, the concentrated patterns of consumption and global competition from operators like WhatsApp, Facebook, Twitter and Telegram as opposed to localized competition, MNOs are pushed to change the way of doing things and dependence on only one stream of revenue that was typically voice traffic to alternative value adding services. Migration to third generation (3G) mobile broadband services as well as mobile payment and banking services are delivering these additional revenues, but all service segments are highly competitive still (Lange, 2014).

MNOs in Kenya operate in a challenging investment environment and are subject to a number of market and regulatory pressures. Falling prices have led to decreasing ARPU levels for MNOs, and three out of four MNOs are receiving negative returns (Deloitte, 2011). MNOs have initiated various strategic changes to adapt to the developments so as to achieve competitive advantage in the industry. Operators have had to be rebranded or

acquired by multinationals to keep to the speed of competing forces. Example is KenCell which was acquired by Celtel in 2004 then to Zain and currently Airtel is the brand name in mobile industry, it has also entered into a strategic partnership with Equity bank to roll out Mobile Virtual Network Operator (MVNO) which will emulate all Equity's banking services into the mobile phone (www.africa.airtel.com, 2014). Telkom Kenya was bought by French Orange and Econet bought by Essar and rebranded as YU, while Safaricom did an overhaul of its management with a complete restructuring of the organizational structure.

1.1.4 Safaricom Limited, Kenya

Safaricom Ltd is a leading mobile network operator in Kenya which started as a department of Kenya Posts & Telecommunications Corporation. It launched operations in 1993 based on an analogue ETACS network and was upgraded to GSM in 1996 (license awarded in 1999). Safaricom was incorporated on April 1997 as a private limited liability company and fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone group Plc. of the United Kingdom acquired a 40% stake and management responsibility for the company. In accordance with the Government of Kenya's policy of divesting its ownership in public enterprises, the Government of Kenya through the Treasury Department, on 28 March 2008 made available to the public 25% of the existing ordinary shares of par value Ksh 0.05 each, of the Company. Currently the shareholder structure is with Government of Kenya 35%, Vodafone 40% and Free Float 25% traded on Nairobi stock exchange.

In order to respond to the challenges of new competitors, markets, and technologies, Safaricom had to undergo continual change. Some change programs were strategic in nature, while others were more operational, these strategic changes coalescing around Business

dimension and People dimension of change. Safaricom has undergone various strategic changes both planned and emergent changes from being a department of KPTC to a private liability company in 1997, then onboarding of a strategic investor through a partial acquisition by Vodafone plc. acquiring 40% stake in 2000 and taking over the management responsibility. In 2008 the Kenyan government offloaded 25% of its stake making the company a public company with limited liability. This meant the Government of Kenya was left with 35% control and thus left the company to be run *independently* without much influence from the central government giving it a better strategic level of decision making in business, free of political influence. Under the collaboration with Vodafone wealth of experience in mobile telephony worldwide the company took off from being problem child (Question marks) to being Stars and hypothetically a cash cow. To adapt to the demands of its achievements and competing forces, Safaricom had to undergo leadership changes and structural changes where a new CEO was brought on board in November 1, 2010, to inject and drive change necessitated by the overwhelming internal and external environment conditions.

To adapt to the ever changing technology and improved awareness and knowledge of its market, Safaricom has continuously invested in the network and proudly boasts of being the most advanced and extensive network in Kenya and describes itself as a leading provider of converged communication solutions, operating on a single business driver that has a peerless understanding of voice, video and data requirements. Additionally, they have also been working extremely hard to be a one stop shop for integrated and converged data and voice communication solutions with extended service such as cloud computing and co-location facilities. Safaricom with its countrywide network is the only network that can provide

broadband high-speed data to its customers through its 3G network, Wimax and fibre. Safaricom has commenced technical trials of the next generation of mobile data technology; Long Term Evolution (LTE) as a pioneer in the region to have a trial of this technology making it a leader not only in service provision but also in technological advancement.

To maintain the market share Safaricom introduced lower airtime vouchers to cater for the high spending low income earners such as ksh 5,10,20,50 and 100, initially the lowest airtime voucher available was Ksh 250. It has also aggregated various tariffs that were confusing to the customer into a single tariff called Uwezo. From per minute browsing billing Safaricom has introduced a range of data bundles. Safaricom has been able to keep a tab on the pulse of the consumers and has been nimble enough to adjust its value proposition to the needs of the consumers. Safaricom has ensured consistent branding, training and constant supervision of the retail stores to deliver the right user experience and has worked tirelessly for proper liquidity management at the stores.

Safaricom has undertaken various strategic changes, from Safaricom 1.2 with a vision to be the best company in Africa, to Safaricom 2.0 that entailed changing the company structure, culture and mindsets focusing on the stakeholders who are Safaricom's business ecosystems with a vision of Transforming lives (Safaricom annual report, 2012) to the current Safaricom 2.0 reloaded anchored on eight key pillars of democratising data, deepening financial inclusion, Best network in Kenya (BNK), YOLO (youth original local outstanding), delighting customers, youth space and acting with speed, simplicity and trust. What remains to be established is how effective is the integration of business and people dimension of change in strategic management at Safaricom.

1.2 Research Problem

Most organizations know their businesses, and the strategies required for success. However many struggle to translate the theory into action that will enable the strategy to be successfully implemented and sustained while others fail to transfer the strategic choices into operational actions, and to truly motivate their people to work with enthusiasm and cohesively towards the corporate aim. On the other hand business environment is changing faster than ever before, new technologies are emerging constantly at an increasing velocity, and industries are shaken by deregulation and new entrants while some adapt others fail. Having executives and employees change their thinking, beliefs and behaviours is demanding and difficult. This is because change is a complex, multi-stage process rather than a silo event (Kotter, 1995) and much has to be done to create a sense of urgency, win support, and silence cynics.

Safaricom like many organizations has in the past designed business solutions, developed new process and repeatedly done massive restructuring. What stirs ones curiosity is how business dimension and People dimension of change has been integrated at the company. Previous studies have not addressed the integration of business and people dimension of change. PricewaterCoopers (2013) for instance researched on people integration at PwC, Cabrey& Haughey (2013) researched on enabling organizational change through strategic initiatives, Murugi (2013) dealt with the human dimension of change management in universities in Kenya, Pan (2012) studied Change Management on the People Dimension, Mungai (2011) on the people dimension in managing change at Kenya Power & Lighting Company, Saratoga (2010) studied managing people in a changing world, all these have

similar conceptual framework but different contextualization. Muema (2013) looked at the strategic change management practices and challenges at Safaricom limited, Musau (2012) established the change management approaches adopted by Safaricom limited, Kisiyenya (2012) analyzed Strategic responses to competitive environment by mobile telephony firms in Kenya, Gichagi (2011) studied strategic responses to dynamic business environment by Safaricom and Olunga (2007) studied Responses of Safaricom limited to changes in the Telecommunication industry in Kenya which are all similar contextual framework but different conceptualization.

All these researchers did not venture into the two dimension of change which hypothetically could be the drivers of results obtained in the above mentioned studies. In the current global business regime the relationship between people and business is becoming a perceived key factor in the success of organizations. While researchers have delved more on business dimension and some on people dimension of change independently, integration of business and people dimension of change is an area that is yet to be studied. Study on the relationship between systemic and behavioral changes needs to be undertaken to give a scholarly direction on the impact of the twain dimensions on change management and success of organizational changes. Therefore this study sought to bridge the gap, to what extent have people and business dimension of change been integrated at Safaricom ltd?

1.3 Research Objective

The objective of the study was to determine the extent to which the business and people dimension of change have been integrated at Safaricom ltd, Kenya.

1.4 Value of Study

Having completed the study it is a major contribution in the management of strategic change especially on business and people dimension thus adding to the body of knowledge in strategic change. It is going to be a source of reference and knowledge base for future researchers and academicians in the field of strategic change and related studies thus, form a basis for other future studies.

This study has provided a frame work for policy development into recommending integrating business and people dimension of change through downward cascading and horizontally aspects of change in mobile industry and other organization. For the government and the regulatory authority agencies the study is important in formulating policy and regulations in the Telecommunication industry for national social and economic development plans in view of harmonization of objective between business and people.

The study has also provided a view point on how managers carry out activities that coalesce to inform decisions while managing change in day to day managerial practice. The findings has further helped managers at Safaricom Ltd understand clearly the significance of integrating business and people aspects of change in organizational success.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review of previous studies and findings in the field of strategic change management and empirical evidence and discussions on change, management of organizational change and dimensions of change with a view of studying the impact of integrating business dimension and people dimension of change. This chapter provides the theoretical foundation in which this study has been based and the discussion on the direction of integrating people and business aspects of change.

2.2 Theoretical Foundation

The theories underpinning this study are Open System Theory and ADKAR model (Hiatt, 2006). According to Kotter (2001), a central feature of modern organization is interdependence, where no one has complete autonomy; employees tied to each other by their work, technology and hierarchy, presenting a special challenge to change process, and requiring alignment of people. Senge (2006) observed that the limits of growth and organizational learning often frustrated organizational changes. Kaplan and Norton (2006) argued that continual search for organizational form is driven by changes in nature of competition and economy and Kaplan (2007) argued that the world is constantly changing as business evolves, new products and distribution channels emerge, requiring changing the people and incentives, tangible resources, and operating style.

Hiatt (2006) argues that if you are an employee in an organization undergoing change, your reaction to the change and how you are viewed by the organization will be directly affected

by each of the five elements in the ADKAR model of awareness, desire, knowledge, ability and reinforcement. According to Creasey (2007) when you introduce change to the organization, you are going to be impacting on system, process, organizational structure and job roles. He further establishes that the change typically results as a reaction to specific problems or opportunities the organization is facing based on internal or external stimuli with the intention of becoming more competitive or becoming closer to the customer or becoming more efficient.

According to Cummings & Worley (2009) open system theory recognizes that organizations exists in the context of a larger environment that affects how the organization performs and in turn is affected by how the organization interacts with it. How these interaction are handle in the business dimension or people dimension of change determines the organization competency to meet the external and internal requirements and successfully navigate through the desired changes.

2.2.1 Open System Model

Open systems theory refers to the concept that organizations are strongly influenced by their environment (Bastedo, 2014). An open system is a system that in some way or another has interaction with its surrounding environment, it has inputs and outputs. This interaction with the outside environment implies that open systems need to be able to adapt to the changes that occur in their environment (Cutajar, 2010). The open systems approach to management considers all organizations as open systems.

Organizations being open systems are composed of a number of interconnected sub- systems which are the organizational goals and values sub-system, the technological sub-systems, the psychological sub-system and the managerial sub-system. The open-systems theory further argues that each of the subsystem receives inputs from other subsystems and turns them into outputs for use by other subsystems and any change to one part of the system will impact on its performance. The systems approach to change is based on describing and evaluating these sub systems in order to determine how they need to change so as to improve the overall functions and performance of the organization (Burnes 1998, Skinner 1994). The globalization of markets, rapid advancements in new technology, higher levels of competition, increasing focus on costs and cost management and the inevitable excess of demand over supply in terms of talented individuals all contribute to the drive for change within contemporary organizations.

2.2.2 ADKAR Change Management Model

According to Hiatt (2006) when a group undergoes a change, it is not the organization that changes, but rather the behaviours of individuals, this change in collective behavior is what produces different outcomes for the organization. He further notes that Organizational change management and individual change management must be used together to manage change successfully, thus the development of ADKAR model which focuses on change at an individual level, and the specific needs of that individual, in order for that person to change their behaviours to the desired ways of working, the new culture.

The ADKAR Model reflects the necessary building blocks for individual change which entails awareness of the need for change, desire to support and participate in the change,

knowledge of how to change, ability to implement the change and reinforcement to sustain the change (Hiatt, 2006). The ADKAR model is that link between individual performance, organizational change management and business results. It focuses on change at an individual level and the unique needs of that individual, so that the person can change their behaviour to the desired ways of working, the new way of doing business.

2.3 Managing Organizational Change

According to Todd (1999) change management is a structured and systematic approach to achieving a sustained change in human behaviour within an organization. Hiatt (2006) said that change management is applying techniques and tools to manage the people-side of change to achieve the desired results with minimal disruption or negative side effects. Kotter (1982) studied the daily activities of 15 executives and concluded that they spent most of their time developing and working a network of relationships from which they gained general insights and specific details to be used in making strategic decisions. They tended to use mental road maps rather than systematic planning techniques. Lewin (1951) argues that there are forces that drive change and those restraining it, where there is equilibrium between the two sets of forces there will be no change. In order for change to occur the driving forces must exceed the restraining forces. Managing change requires consistency of approach and constancy of purpose. There are two tasks that successful change programs have to achieve, the change management process, focusing on the process steps in the change management project plan and the transition of people, providing successful change in individuals and changing their behaviours to a new desired state.

Change is disruptive, messy, and complicated. Even with the best laid plans, events rarely occur exactly as they were predicted. Nadler (1998) argued that real change in real organizations is intensely personal and enormously political. Change processes entail not only structures and ways of doing tasks, but also the performance, expectations and perceptions of all involved parties. To effectively adapt to change, most established organizations have a daunting task ahead of them in a variety of operational and procedural areas. Business processes must be redefined and redesigned and adapted to specific geographical and cultural settings. The workforce needs to be retrained to be ready for changes in how work is done, what skills and knowledge is needed. The very culture of an organization needs to be reshaped to properly support the new processes introduced. Structures, reward systems, appraisal measurements and roles need redefinition (Bainbridge, 1996).

Change in an organization may face systemic resistance occasioned by passive incompetence of the organization to change, whereby the system as a whole reject an attempted change, even if that change is promoted over a long period of time by a substantial fraction of the population. This may be attributed to among other factors current organization design, organizational culture, resource limitations, fixed investments and inter-organizational agreements. Systemic resistance occurs whenever the development of capacity lags behind strategy development or when there is a disjointed interlinks. In many organizations departments, functions and sections each have their own area of specialization and self-interest. The end result is a situation where many people are performing excellent jobs in their own fields, very often at the expense of others and not even knowing what others are doing (Parumasur & Barkhuizen, 2009). There are lots of reasons why people

may be hesitant about changing the way they do things. Therefore, organization and job structures need to be designed in such a way as to enable workers to meet both their material and non-material needs. Only in this way will employees perform efficiently and effectively in the best interests of the organization.

Hiatt (2006) argues that under ADKAR Model situation awareness principle requires that executives and employees be set in their organizational contexts to understand the situations, recognize and accept the need to change. They have to be convinced of the reasons for change and understand what is in it for them and the consequences if change is not enacted. It is essential for both executives and employees to recognize that radical change is imperative and accept the new direction. Without a clear awareness of the situation, executives and employees may underestimate the consequences of keeping the status quo. As a result, they may not be committed to the change initiative and may find it hard to pull themselves out of their comfort zones.

The desire to support and take part in the change is dependent on the nature of change, credibility of the driver of change, intrinsic factors and history of the organization. Therefore the employee should be motivated to desire change. With the desire cultivated the people should be given the knowledge of how to change and what to do to make the desired change happen, this can be achieved through training, seminars and knowledge transfers. Ability to implement the change is then developed by providing the skills to implement change on a day to day basis through daily involvement, access to subject matter experts and hands on job training. To keep the change in place reinforcement is essential, by creating an environment to sustain the change through celebrations, recognition, rewards, feedback to

and from employees, audits and performance measurement systems. Organizations that desire a clear articulation of what they want to change and desire to make it happen would integrate the Business side and the people side of change to provide a smooth and homogeneous transitioning.

2.4 Integrating the Business and People Dimension of Change

“When we try to pick out anything by itself, we find it hitched to everything else in the Universe” (Muir, 1911, p.110) and it has been said that you cannot change one thing without changing the whole thing (Price Waterhouse Change Integration Team, 1995). The results and outcomes of workplace changes are intrinsically and inextricably tied to individual employees doing their jobs differently. A perfectly designed process that no one follows produces no improvement in performance, a perfectly designed technology that no one uses creates no additional value to the organization and perfectly defined job roles that are not fulfilled by employees deliver no sustained results. Whether in the workplace, in your community or in government, the bridge between a quality solution and benefit realization is individuals embracing and adopting the change (Hiatt and Creasey 2003).

According to Thompson and Strickland (2003), proficient strategy execution depends heavily on competent personnel, better-than-adequate competitive capabilities, and effective internal organization. Saratoga (2010), argues that it is not people that are the greatest assets to an organization, but the relationship with them. Adding to a company’s talent base and building intellectual capital is more important to good strategy execution than additional investments in plants, equipment and capital projects. This entails screening and evaluating job applicants, selecting only those with suitable skill sets, energy, initiative, judgment,

aptitude for learning and personality traits that mesh well with the company's environment and culture. Putting employees through training program that continue through their careers and providing employees with challenging, interesting and skill stretching assignments. Progressive companies work hard at creating environment in which ideas and suggestions bubble up from below and employees are made to feel that their views and suggestion count.

Kotter (1995) found that, it is possible for the resistance to be sited within the individual, but it is much more likely to be found elsewhere in the system. When the processes are integrated, the result is that people are primed and ready for the change with cultivation of a culture of trust, transparent communication, involved, engaged employees and positive interpersonal relationships. Employees feel free to tell their boss what they think and to have open exchanges with managers. Absence of integration results in systemic resistance which occurs whenever the development of capacity lags behind strategy development. Weinrich, Cannice and Koontz (2008) established that involvement of organizational members in planning change can reduce uncertainty and communication about proposed changes also helps clarify reasons for change.

Organizational Culture can impede or facilitate change, therefore it is necessary to examine the cultural fit with the strategic change and ensure the two are synchronized. Communicating the change to appropriate stakeholders and involving people frequently to create champions of change lead to integration of business and people dimension of change providing a key to unlock systemic and behavioral resistance to change. According to Senge (2006), people excel and learn when there is a genuine shared vision and not the familiar traditional vision statement. This is because they want to and not because they are told to,

while adaptive learning is possible without vision, generative learning occurs only when people are striving to accomplish something that matters deeply to them. With a shared vision, work becomes part of pursuing a larger purpose typified in the organization's products or services. Learning is accelerated through communication, information technology and equipment (Senge, 2006). A shared vision is necessary to oppose rigid support of the status quo and to facilitate creative change by fostering risk taking and experimentation. It will be perfectly clear to employees why they are doing what they are doing. According to Weinrich, Cannice and Koontz (2008) concept of harmony of objectives, individuals have personal goals that are different from organizational goals but these can be harmonized. PricewaterCoopers (2013) established that successful integration involves detailed planning and execution, retaining the right people, designing the organization, aligning cultures, and communicating effectively.

For an organization to successfully implement change, it must be change-ready, meaning that the people and structure of the organization are prepared for and capable of changing in harmony. Successful people integration should include a change management program to help companies motivate, retain, and acquire pivotal talent (PricewaterhouseCoopers, 2013). Muema (2013) observed that there should be collaboration between departments through group meetings, project matrix structures, restructuring and organization of frequent offsite strategy meetings among concerned departmental heads and middle level managers and team building between different departments to synchronize common practice before and during change. According to Cabrey & Haughey (2014) factors that make organizations effective at change include having a culture that embraces the change and effectively managing employees through the change.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out to discuss the research methodology that was used for conducting the study. The chapter outlines the research design that was adopted, methods of data collection and data analysis. With the research question being the epicentre of the study, data collection and analysis methods were chosen so as to use those most likely to provide insights into the research.

3.2 Research Design

The research design for this study was a case study. According to Yin (1994) a Case Study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. It refers to an in-depth and detailed analysis of a person, group or situation. A Case study is undertaken on an individual case and involves the systematic collection of data, analyzing data then drawing conclusions that may lead to a report on the findings. According to Yin (2003) a case study should be considered when the focus of the study is to answer how and why questions, as well as where you cannot manipulate the behaviour of those involved in the study and where you want to cover contextual conditions because you believe they are relevant to the phenomenon under study.

A Case Study was chosen as the research design for this research project since it allowed for an in-depth examination of events and phenomena within a real-life context for purposes of theory development and testing. Key was the fact the study was conducted in one

organization namely Safaricom limited and the desire was to collect an in depth information of the subject of study. Case study design allowed the researcher to study the complex relationship between phenomena, context, and people. The case study was on determining the extent to which business and people dimension of change has been integrated at Safaricom ltd. Researchers such as Muema (2013) and Mungai (2011) have successfully used case study in their research work.

3.3 Data Collection

The main source of data for the study was primary qualitative data that was captured using a comprehensive interview guide. The interview guide was formulated along the study objectives and administered through personal interviews. Personal interview was chosen because the researcher would be able to ask respondents questions to get required answers and incase of any ambiguity it would be corrected immediately thus high flexibility, excellent opportunity to probe further with a high response rate.

The interviewees were director strategy and innovation division, two heads of department, two change champions and one staff working on strategy division on implementation. The researcher conducted direct and personally administered the interviews. The direct personal interview method was preferred in this case study, so as to obtain in-depth information from the respondents and clarifying any issue not clear to the respondent for an accurate information gathering. The interview guide was designed so as to identify how business dimension of change has been integrated with people dimension of change in Safaricom Limited.

3.4 Data Analysis

The study gathered data that were largely qualitative in nature. Therefore, qualitative methods of data analysis were used and the preferred qualitative method was content analysis technique. This is a technique of making inferences by systematically and objectively identifying specific characteristics of messages as the basis to relate trends (Nachmias and Nachmias, 1996). It captures a qualitative picture of interviewees concerns, ideas, attitudes and feelings. According to Weber (1990) Content analysis can be a useful technique for allowing us to discover and describe the focus of individual, group, institutional, or social attention. Researchers like Musau (2012) on Change management at Safaricom Limited and Muema (2013) on Strategic change management practices and Challenges at Safaricom limited, successfully used content analysis technique in their studies.

The nature of the data to be collected from this study was from direct personally administered interviews targeting the specific individuals drawn from top and middle level managers of Safaricom Limited. The in-depth understanding of the responses from the respondents was used in the analysis and interpretation of the data. Organization's changes was categorized, and analyzed as systemic/business dimension or people dimension of change. The extent to which the dimensions of change were integrated was then be deduced.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents data analysis, findings and discussion of the primary data obtained through personal interview using a comprehensive interview guide which was administered to six respondents namely, the director of strategy and innovation, two heads of department, a senior strategy and projects lead and two change champions at Safaricom Limited. The study had one objective, to determine the extent to which the business and people dimension of change have been integrated at Safaricom ltd, Kenya. The data was thereafter analyzed using content analysis based on the objectives of the study and the findings presented as per the different themes underlined below.

4.2 Strategic Changes at Safaricom

The study interrogated interviewees on whether there was a strategic change program adopted by Safaricom Ltd in the recent past. On interrogating strategic change at Safaricom ltd, Interviewee X said,

“Safaricom undertook a strategic change by shifting from focusing on wide coverage and capacity to focusing on being the best network in Kenya (BNK), not just best by our standard but as measured by independent bench marks as well as net promoter score based on customer opinion”.

This according to the interviewee came after discovering that the success the company had in the first ten years could not navigate it through the highly competitive sea of mobile industry as a mobile network operator. The interviewees observed that Safaricom joined the industry after Kencell currently Airtel, with its previous strategies suited as a follower in the market and therefore the interest was on rolling out as many sites as possible for wider

coverage, hence the famous adverts such as Safaricom is now in Naivasha and Safaricom comes to Meru. This earlier strategy was noted by the interviewees to have been focused on expansion of infrastructure, network coverage and customer market share, thus the company's vision was to be the best company in Africa. For which the interviewees said the company achieved by being the mobile network operator with largest market share, then becoming second most profitable organization after EABL and thereafter the leading tax payer in the country. The strategic shift therefore was from focus on infrastructure fit to customer based business focus by looking more on the customer experience than the network coverage area.

According to the respondents Safaricom undertook strategic change by putting the systemic structures in place. The respondents were in agreement that the first phase was in employing a new CEO from outside the company indicating the beginning of a new dispensation and giving the change credibility among employees. This was followed by restructuring that involved re-organization of all functional and operational levels with leadership teams put in place. Having put up the critical structures that gave the skeleton of the re-engineered Safaricom, the interviewees observed that a new vision statement was established of 'Transforming lives'.

According to the respondents Safaricom realized that it was operating in an open system, whose success in a stiff environment would depend on the feedback from internal and external reaction and how the feedback would be processed for the company to gain a competitive advantage in the industry. From the external environment the respondents indicated that Safaricom did not initially focus on customer experience but rather capacity,

expansion and new technology but interrogation of aspects showed that to be the best network was a derivative of being valued and to be valued involved managing customer feelings, expectation and delivering simple products. Therefore, Safaricom established a new strategy shift from focusing on infrastructure expansion to focusing on people driven by the mission of transforming lives, with a key focus on putting the customer first and being obsessed with the subscriber needs. The company emphasized on having the customer facing entities to effectively and efficiently manage the clients and stakeholders expectation and process their feedback and request with speed, simplicity and trust that ultimately grew to be the business culture dapped Safaricom way.

4.3 Business Dimension of Change at Safaricom

On interrogating the interviewees on what changes have taken place at Safaricom Kenya ltd concerning the business dimension, the respondents highlighted that until 2011 Safaricom bread basket in revenue streams was on voice calls but then challenges arose threatening the revenue streams locally through price wars leading to fall in calling rates from kshs 12 to kshs 4 per minute charge. Respondents also indicated that a global challenge arose on voice calls through customers using alternative option of international calls other than GSM such as voice over internet protocol like Skype calls and termination of international calls through SIM boxes.

With these challenges choking the business profitability the respondents said that Safaricom sought for alternative revenue streams to focus more on so as to back up the traditional business of voice calls, the focus was therefore, directed to Mpesa, data and collocation facilities. According to the respondents Mpesa service that was introduced in March 2007

originally seen as a mere values added service to customers, was re-engineered to be a transformative sector in Safaricom business. Making the then pure person to person transaction evolve into person to business and thereafter business to person transaction onboarding corporates in Mpesa use through lipa na Mpesa, pay bill services, mobile banking thus resulting in a major strategic inflexion point and changed how Safaricom and society transacted business and the national economy shifted as well. Further the business has planned to transfer the entire Mpesa platform infrastructure from Europe to Kenya through G2 project plan.

According to interviewees over-focus on data was also introduced with the mission of democratizing data so as to have all mobile users with data enabled phones to be able to access internet. This shift resulted in 15,000 to 17,000 subscribers accessing internet for the first time every day in the period 2010 to 2011, deepening information inclusion across the country a transformative strategic move. Also the respondents said there was a new focus on enterprise business unit especially on small and medium enterprise. Safaricom spoke to their needs by providing a shared infrastructure in the form of cloud computing, domain / hosted services and conferencing services. According to director strategy Safaricom got some traction having seen the benefits and the opportunities for being partner of choice in business to the SMEs.

The respondents indicated that for Safaricom to retain its profitability and market lead restructuring, shift in target market, change in policies and mission was inevitable thus a new CEO and a new CFO were recruited externally. With a new chief executive officer on board Safaricom re-engineered its business strategies towards customer focus by way of

restructuring in which the earlier functional structure characterized by commercial and non-commercial arms were organized into customer facing profit centres which comprise of financial services, consumer business unit and enterprise business unit divisions and non-customer facing corporate centres like technology, customer care, risk management, resources, finance, corporate affairs, marketing and strategy and innovation divisions. An interviewee argued that this was essential for clear identification of customer touch-points to enable the business feel the customer and therefore supply optimum value to the customers, becoming more agile and responsive to customers and doing everything possible to be seen as a partner of choice.

The respondents said that there were fundamental changes in the future direction of the business with target market shifting to the young generation who would be tomorrow's high end users and therefore products were rolled out targeting the youth. The company's vision was also changed from the slogan 'to be the best company in Africa' to 'transforming lives' and everything else being implemented at Safaricom was to be done with the eyesight of transforming lives.

The respondents further indicated that Safaricom introduced a new robust and aggregated process for change management known as service management suite used to manage all service requests, reporting of incidences and corrective actions, defining SLAs and timelines and tracking of incidences and process. In this platform all actions must be logged in detailing the procedure to be undertaken, fall back plan, service impact, actionee and planned execution time. The changes raised was said to be discussed by a committee before action to avoid situation where two service affecting changes are run concurrently thus

aligning all activities in the business. This system also was observed to provide avenue for problem management and track of recurring issues which deserve high level expert handling for escalation with an automated escalation of incidences of failure to close within period.

4.4 People Dimension of Change at Safaricom

When respondents were asked what changes have taken place at Safaricom Kenya ltd concerning the people they said that the first thing done was to bring in a new leadership face in the form of a new CEO and a new director of resource to provide a fresh prism of handling human resources. According to the respondents as an organization you can have the best technology, the best rules but without a genuine relationship with the workforce everything else will lose its value. The respondents indicated that the new CEO shared his vision assuring employees that he came for the better of Safaricom as a whole and not to send employees home.

The interviewees observed that communication and assurance from the CEO to the senior management team and employees that the changes in leadership would be done in a competitive process was essential. In addition Safaricom recruited an independent consultant to guide through the interviews and change process, this indicated that the CEO was ready to work with all without preferences, a key preparation on people aspect of the change and this consistency of purpose was said to have provided trust through the change process.

According to the interviewees work groups were formed for instance in technology division, the groups analyzed how divisional restructuring was to be done. The work groups were constituted by representatives from all existing sections and their role was to seek employee

opinion and come up with a more lean, effective and efficient structure. These created a sense of ownership in the restructuring of the division and desire to have it work with models tested and interrogated before flouting it for application. Series of town hall meetings, workshops and forums were then held to sensitize the employees and obtain feedback on the intended proposed changes. Campaigns were finally made through emails, posters and branding of website to Safaricom tech 2.0 with idle computer and laptop windows displaying the re-alignments as screen saver.

The interviewees further identified that 'skip level' meeting were organized by the CEO and directors whereby the chiefs or the CEO would visit employees in their workstations directly without being accompanied by HoDs or senior managers for direct interaction and sharing of opinions and concern with CEO in person. In your shoe program was also introduced where the management team went to the workstation and performed the normal duties of employees so as to have a feel of the daily experiences of the employees and thereafter cross-sectional in your shoe program to enable employees have the experience of other teams. According to the interviewees the 'skip level' and 'in your shoe' programs provided a platform for having a unified obsession of delighting Safaricom customer by harmonizing cross-sectional objectives and SLAs under the banner of speed, simplicity and trust that is Safaricom way.

Under the new regime the interviewees identified that Safaricom changed how it carried out employee satisfaction program by way of introducing people survey in which employees rated managers based on people management index and satisfaction index to gauge employee perception of how their managers engage them and with what suggestion they

have for Safaricom to be an employer of choice. The employee survey score was said to contribute to the manager's calibration score on performance at the end of the year imposing managers to change how they relate with staff under them.

Another people aspect the respondents gave was the change in the working culture where people moved from a motto of I deliver no matter what it takes to delighting the customer. Therefore, the entire Safaricom system became synchronized with all subsystems in the form of people and work groups being obsessed with customer needs providing a seamless hand over of functions towards giving the best service to the customers from the service retail desk to the best network and to excellent value added services all geared to making the customers happy. Employees were encouraged to change their mindset from seeing customers as source of problem to looking at them as the spring of revenue and as an indirect employer without whom they will be no Safaricom and thus no employment opportunities. Attitude towards the customers was given a fresh positive look as a reason for the company's existence and as such a mutual relationship was essential to build between partners, customers and employees, targeting a better customer delight index score.

4.4.1 Creating Awareness for Change

According to the respondents awareness of the need for change was a critical foundation for strategic change at Safaricom and publicity was key. The CEO clearly communicated to the employees that turn around was essential to remain competitive and that retaining the status quo meant Safaricom was going to lose its position in the telephony industry and therefore there was need to change the way of doing business. Communication channels directly to CEO were opened through "Sema na Bob" conversations in the company's intranet, this

engagement was anonymous to allow staff to voice their views without fear of being victimized. Through these conversations the CEO clarified that doing things differently was inevitable for Safaricom to keep its market share and unmatched profit and that the existent strategies could not take the company any further forward. What if scenarios were identified to have been modeled and the consequences of changing and of keeping status quo were compared to put employees in the bigger picture of the future of Safaricom.

The CEO further shared his vision of Safaricom desiring to have a company that is wide but dynamic and effective likening it to having an elephant that can dance, the customer being the king, river and the source of Safaricom success. The management made a crusade of focusing on customer delight and therefore, the preparatory message being there was need to change how the customer is being served to build in the customer an inner desire and loyalty to use Safaricom services at all times and have Safaricom as a partner of choice in business.

4.4.2 Developing a Desire to Support Change

The respondents indicated that top management shared the success story of Safaricom Ltd showing that the future was at the hands of all current employees. Workshops were held for employees to come up with what can be done to realize desired results and since ideas originated from among the employees especially in re-organizing the divisions, employees yearned for what they proposed to be implemented with a greater sense of ownership and urgency.

According to interviewee Y, the use of some of the best change advisors in the market who painted a Safaricom to be picture with a future that looked rosy after the change than the

current state created a sense of urgency to implement change among the employees. Assurance of equal opportunities to all and a guarantee for an open, transparent and fair recruitment process through open interviews initiated a fire for change as employees hoped to take up some new challenging roles with understanding that there is something good for them.

4.4.3 Developing a Knowledge Base of How to Change

On developing knowledge for change the respondents said Safaricom organized departmental forums, seminars and workshops under the guidance of human resource department to elaborate on change and identify the needs required for change. Champions for change were identified through departmental nominations of who were to take part in the top level arrangements and thereafter cascade the understanding to sections bringing all teams to the same level of knowledge and appreciation of the reason and purpose of change. Team leader core network, observed that there was a need to unlearn old ways so as to embrace the new way of doing things.

According to the interviewees new behavioral approaches were developed bringing down the silos of leadership and aligning teams to shared objectives. In depth knowledge was provided through E-learning programs for greater understanding of change process and sponsoring of staff to undertake ITIL certification program resulted in a better informed employee set who were ready to implement change. Some employees were also seconded to work in Vodafone sister companies abroad to develop a wider knowledge based on best practices and skill sets essential for their specialties through a mentorship program.

4.4.4 Facilitating the ability to implement change

The respondents agreed that Safaricom provided requisite and specialized trainings abroad with original equipment manufacturers, provided trainings and workshops with local vendors, facilitated on job training, knowledge transfer and mentorship among staff, held seminars, introduced e-learning portal for specialized certification, and seconding different personnel to Vodafone sister companies for wider exposure in the global market.

Divisional level KPIs were aligned to the business objectives with the purpose of diffusing existing silos in a view of a common prioritization of projects and allocation of resource to achieve the desired results. This led to a vertical mutual thinking along the corporate agenda whereas the profit centres provided sales, the non-profit centres delivered the solutions and support with a mutual intention of transforming lives within respective functional units. The company provided essential budgetary allocation for this new dimension through road show, promotions and putting up necessary infrastructure to provide the platform for change.

4.4.5 Reinforcement to Sustain Change

According to the respondents Safaricom reinforced change by encouraging an environment of talking to each other, through introduction of ‘in your shoe’ program that enabled staff to understand and appreciate what others in different section do to realize the corporate agenda, this fostered team spirit in that staff viewed themselves as having a common agenda and not independent work groups that led to unhealthy competition and shifting of blame among teams whenever there was trouble or an incident in the past. Team building across divisions was organized for purpose of familiarizing each other under the new structure with continuous engagement by HR and senior management to obtain progressive feedback.

Outstanding performers under the new structure were rewarded with better bonuses and salary increment. Those who contributed on major projects that had a turn around on business were recognized, rewarded with monetary, trophies and had their names engraved on the wall of fame for all to see resulting in a highly motivated workforce desiring to be recognized in subsequent periods. Opportunities for career growth in the form of specialized assignment such as principles, subject matter experts and distinguished engineer were introduced in technology division to provide avenue for non-management based promotions.

Interviewees established that an appraisal technique was introduced in which performance of individual employee was moderated by cross-sectional managers and ascertained how the staff related with other work groups in delivering desired customer needs. Contributions of individuals were analyzed based on all aspects of service provision with performers being rewarded while consistent non-performers were counseled on issue derailing their performance failure which a consequence matrix was applied. Further, regular question answer session and forums conducted to ascertain how teams are faring on with the changes and feedback from employees experiences through the change collected for review to improve and take necessary corrective actions.

The respondents observed that inclusion of the new strategic direction pillars such as BNK, CDI and Safaricom way in the annual individual objectives from which employee performance would be rated provided necessary reinforcement. Employee survey provided feedback on the progress status of the various levels of changes from the point of view of the employees. Manager index rating provided a perception of employees to managers relationship in which the result therefore would determine the manager ability to govern and

lead his team, this survey imposed on managers the need to have a relationship with the team they lead thus reinforcing the culture of trust across the layers and improving the organizational climate. Employee survey according to the respondents enabled the organization to know where it is in terms of synchronizing management and employee relationship and highlighted what more needed to be done to achieve the set targets.

4.5 Integrating people and business dimension of change

According to the interviewees for any successful change to be realized the business dimension and the people dimension had to be in tandem. An interviewee indicated that Safaricom under the new dispensation emphasized on a symbiotic relationship between the people and the business, with the realization that having a motivated staff resulted in high retention of the best minds and elimination of resistances to change. Further, identified that service provision was not like goods delivery as the emotional status of the service desk representative determines the clients perception and intake of the value of the service hence having a happy staff goes a long way in providing customer satisfaction as negative presentation at the call center or retail shop will be too late to correct the resultant damages unlike goods which can easily be recalled.

Interviewees observed that for Safaricom to realize speed, simplicity and trust as Safaricom culture, the business had to intervene on cares and concerns of issues which interfere with employee concentration at work. The issues identified included personal development, financial independence, career and academic development, social matters especially for post-natal care, health and fitness and compensation for extra working hours meant for personal life. On personal development the respondents said Safaricom provided mortgage

arrangements, car loans at highly competitive rates and free parking for staff. On financial independence the company brought in investment consultants to advise employees on ways of achieving financial independence, employees were given employee stock ownership plan (ESOP), investment opportunities given through Safaricom investment cooperative (SIC), Safaricom SACCO for staff to be able to own property while others follow the logistical requirements. Safaricom provided dual career path to allow all employees have equal opportunities for growth and therefore people did not have to wait to be managers to move up the ladder but through their involvement would move up as specialists. Sending staff to other countries through exchange program with Vodafone group members provided career growth as well as import of best practices for mentorship and ultimately lower support costs as the skilled force would be up to the task. Introduction of Safaricom resource center provided room for a wholesome academic growth providing access to information in all fields of learning within the premises and therefore staff spent more time in the office and login into the resource center libraries at free times.

On wellness and social matters it was observed that Safaricom provided medical cover for entire nuclear family, annual health clinics to check on personal health status. In addition parents with young children were provided with day-care/crèche facilities at work place where their young ones will be taken care off while the parents perform their duties in the offices, this gave full relieve to the mothers and added concentration coupled with peace of mind was realized among them. Recreational and fitness facilities such as gym were provided at affordable rates. Flexi working hours, telecommuting and teleconferencing options were introduced to allow staff do what they are meant to do effectively, efficiently and conveniently for greater output providing a staff friendly environment.

Further, the respondents said that Safaricom provides overtime and call out payments for work done out of the normal working hours, bonuses and salary review given annually based on employee performance and provision of transport facilities when working out of normal working hours and stations with travel allowances where applicable. When employees are transferred to new station relocation allowances are provided to meet the expenses of migration and settling in the new environment.

On recruitment and restructuring the interview observed that the company put up a high threshold for qualification of its senior staff and all position advertised so as to obtain a people who match the new expectation and challenges. Existing and new applicants went through an open interview process that selected only those with suitable skill set, energy and aptitude for continuous learning to meet the needs for a renewed Safaricom culture. In the restructuring, emphasis was put on placing people in the right places matching their skills, interest, passion and trainings to the positions they will hold.

When respondents were asked how Safaricom ensured employees transitioned successfully through the change, they observed that all staff were involved in the change process and were given opportunity to share their views on things they would like the business to do for them in order to serve the customers with speed, simplicity and trust. A staff council was set up for staff to get their representatives raise in the council session any arising concerns from the change that needed to be addressed by senior leadership with meetings held every quarter to respond to the voices of the employees from all divisions.

Further the interviews observed that an open door policy was implemented with all cubicles for senior managers brought down to create a common environment with employees on their

work stations and activate a free flow of information either formal or informal resulting in relaxed relationship with management. People management was observed to contribute to 20% of manager's performance rating. In this regard interviewee Z said,

“If you have engaged employees they will deliver more than employees who are there just to earn salary. Most often the reason why people leave a company is not pay but because they are leaving their managers”.

Systems were put in place to lock events into the new order of business and regular audits done both internal and external to keep check of activities and mitigate on reverting to the old ways of doing business. Behavioral functional ethics were introduced of speed, simplicity and trust and this emphasized through Safaricom people development program (SPDP) offered in three categories namely Safaricom employee development program (SAE) for entry level, Safaricom manager development program (SAM) for middle level and Safaricom leader development program (SAL) in advanced level, these were used to equip the employees in all aspects of service delivery and personal development for sustaining a strategic advantage over the long term. This program according to the respondents was geared towards having a shared way of doing things in Safaricom and develops a high performance organization.

Interviewees observed that for organization to successful implement change all parties must be change ready as a team. Safaricom aligned all divisional strategies to the corporate strategy of customer focus and same was cascaded to individual objectives taking the customer as king and his delight was to be the joy of Safaricom as a whole. Key was delivering what you have promised to the customer with speed, simplicity and trust. All employees were involved in driving change from lower layers to upper layer of leadership

hierarchy. Open door policy was embraced by management destroying the silos and doing away with VIP lifts, closed management offices resulting in accessibility by all to all and sharing common amenities among all employees despite their ranks. This provided an avenue for sharing ideas between management and employees and between teams creating an organizational climate optimum for change.

Forums for innovators was also introduced, where according to the respondents, initially ideas came from above but in the current regime an innovation forum dapped Zindua café was formed by strategy and innovation division where employees would post their ideas via internal Zindua café portal, screening will be done by innovation team to check for duplicates, vetting and scoring using pre-defined metrics is done and then successful ideas are adapted. This provided a sense of appreciation to the employee skills and the company as well obtained new products internally.

Employee survey was carried out to enable senior leadership understand what employees felt about the company and what their expectations were. Issues raised were dealt with such as employee work life balance thus provision of flexi working hours, salary reviews to cushion staff over inflation, recreation facilities, ESOP and simple dress code- smart casual implemented. Staff who felt negatively affected by the change went through counseling processes to align their attitudes to what change was meant for, transforming lives. Trainings were organized not only for hard hand skills but also soft life skills such as personal finance and personal healthy living across the company divisions. Respondents noted that with this kind of equipping it was easier for change to be adopted and implemented as employees felt that they were part of the organizations resulting in a quick buy in to support change.

4.6 Resistance to Change at Safaricom

According to the respondents there was a mild people resistance to change. The resistance was noticed in unexplained delays on responses, staff complains about wrong timing and lack of effective communication especially in introduction of a new appraisal method mid-year yet objective setting was done on a different appraisal regime and therefore the interviewee observed that the staff felt that it was not just nor fair to use a technique in appraising them that was not used in developing the objective upon which the performance marking was to be based. The interviewees observed that the reasons for resistance were inertia to radical change, insecurity and uncertainty of what the change would bring.

They further observed that individuals who could have been favored by status quo perceived that the change threatened their immediate gains hence had a go slow in embracing change. Further the bell curve designed to be the foundation of performance appraisal was perceived to conclude that majority of the employees were average with limited justification hence this approach was seen to be dictatorial as there was no employee involvement in coming up with the new appraisal technique.

The respondents observed that the resistance was mitigated through offsite meetings, direct communication by CEO and human resource department using video links, staff bulletin updating staff on the progress. On departmental levels HoDs, human resource business partners and senior managers held town hall meetings, workshops and forums with more question answer session to demystify the entire process. The behavioral resistance was contained as the critical mass necessary for the success of change was achieved across all layers of management.

The interviewees noted that the employee expectation was managed through regular sectional briefings, off-site meetings and person to person engagement with sectional change agents. However in situation of persistent resistance it resulted in separation and those who could not align themselves therefore, exited the company. According to the interviewees those who were affected in the restructuring and positions taken by a new team they were managed out through a fair exit package.

4.7 Discussion of Findings

The research established that for a successful implementation of a strategic change, for any systemic change there must be an equal behavioral change at the same time otherwise resistance will take place. The behavioral change required must be symbiotic in nature, where the people involved in the change perceive and actually receive personal gain and development while the organization obtains behavior that supports the changes and delivers the corporate agenda.

The study observed that Safaricom was operating in an open system, whose success in a stiff environment would depend on the feedback from internal and external reactions and how the feedback would be processed for the company to gain a competitive advantage in the industry. This deduction is in agreement with Burnes (2009) argument that organizations are open systems whose internal operations and effectiveness are dependent upon the particular situational variables they face at any one time.

During the study it was found out that when Safaricom employees understood that the changes were meant neither to punish nor witch hunt but for the common good of the

company's and employees' prosperity, change was then embraced. As regular and clear communication was provided through forums, road shows, question answer sessions and workshop greater support for change was realized with increased attendance to feedback session and participation in staff survey.

The research established that in an open system the interface between an organization and the external environment require a greater integration of people dimension of change and the business dimension of change to achieve desired result. In the case of Safaricom the roles of the customer facing sections became one of the major objectives of the top level management to enable customers perceive Safaricom as a partner of choice and employees being appraised with customer delight index being part of every employee KPIs.

On integrating business and people dimension of change, it was established that people dimension of change is not only how employees behave to and in the organization for change but also how the organization handles its staff for the employees to feel appreciated, honored and valued. Through personal development seminars such as managing your finances and staff people development program, use of flexible schedules such as telecommuting where individual can remotely work from any station without coming to the office, flexi working hours for those who think they work better early to report to work early and leave early while others report late and leave late provided an impressive avenue for optimum working times. This was found to have built a relationship of trust between the employer and employee catalyzing the output of the employees, agreeing with Saratoga (2010) argument that it is not people that are the greatest assets to an organization, but the relationship with them.

Respondents said that integrating people and business dimension of change had given Safaricom competitiveness as employee work at their optimum, delivering services at their fullest of abilities and know how. Safaricom has become an employer of choice attracting great minds where everyone wants to work for and with Safaricom ltd. It has also enabled the company to retain the best skills within the market, thus guaranteeing skill continuity.

For organizations to successfully implement change it was observed that credibility of the messenger is critical, publicity and communication must be done, staff should be involved from the beginning then through preparation to implementation, equip the staff with necessary skills for change, allocate adequate budget, allocate reasonable time to implement change and periodical progress measured through feedback from which results and corrective actions shared with all employees on current ratings verses expected targets.

It was established that people will either embrace and support change or resist change and like one steel company that said that our business is steel but our strength is our people. This indicates that the power of an organization is the type of people it has and the skillset coalescing around them. For successful change all individuals need to make a personal decision to support and participate in the change taking a concerted and on-going effort to make change stick. Therefore, if you are an employee in an organization undergoing change, your reaction to the change and how you are viewed by the organization will directly affect change management in line with Hiatt (2006) ADKAR model suggestion that successful change happens when both dimensions of change occur simultaneously.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. The conclusions and recommendations drawn are in quest of addressing the research objective of determining the extent to which the business and the people dimension of change have been integrated at Safaricom Ltd, Kenya. From the study findings and conclusions, recommendations are given on how to improve on issues of policy and practise.

5.2 Summary of the Findings

The study established that Safaricom Ltd indeed undertook strategic changes that affected the people and the business dimensions. From the study it is observed that the forces that necessitated change were external in nature and to deal with them required a change in internal environment and regular analysis of feedback. The forces of change included high level of industry competition, desire to match the ever changing demands of informed and learning customers and the knowledge that the status quo could not sustain the revenue growth further.

It was further observed that even when things are bad, there is some level of comfort with status quo. Even in the same organization everyone does not hear about change at the same time and everyone does not process change at the same pace therefore, buy-in to change becomes an individual commitment and thus successful strategic change occurs only when each person is able to transition successfully.

The research found out that engaging employees through the change process by way of making them aware why they need to change, what is in it for them and training them to be ready for change with providing essential budgetary allocation for change provides a smooth transition through the change period. By rewarding those who go beyond their means to deliver, recognizing best efforts and compensating sacrifices made reinforces change. This also encourages positive feedback with the desire of having corrective measures for improved and better service delivery.

Internal harmonization of objectives is essential for an organization's goals to be realized. Employee's, manager's and CEO's objectives must be tied towards the corporate objective so that the entire team works in harmony in achieving the desired goals. Appreciation of what other work groups are doing through publicity, in your shoe program and team building assist in synchronizing the roles of teams in achieving excellent result.

5.3 Conclusion

For an organization to successful implement change all parties involved must be change ready as a team and for any successful change to be realized the business dimension and the people dimension must be in tandem. The business must look down and reach the needs of the employees and the people must look up and pick the goals of the organizations for a mutual gain. The relationship an organization has with the people determines the extent in which the organization achieves its mission. The relationship is built when the level of trust increases derived from regular communication and working closely together bound by a similar objective.

For an organization to have a homogenous objective between people and the business and across the business units, all institutional subsystems must know and have the feel of what other workgroups are doing. This gives a conscious actioning of roles to support the roles of other work groups up the value chain. There cannot be success in an organization where subsystems and the business as an entity work in isolation of the people needs. A relationship of trust between employees and the business and across building units is the key that unlocks an organization's potential. This observation blends with Senge (2006) argument that people excel when there is a genuine shared vision and not the familiar traditional vision statement.

The study revealed that integrating people and business dimension of change is paramount in management of strategic change and for the establishment of a team spirit that contain a competitive advantage to overcome negative internal and external forces. Communication, communication and communication is essential in integrating business and people aspects of change in organizational success.

Collaboration between the people and the business results in a motivated workforce eager to bring giant results to a motivated employer, resulting in a motivating organizational climate ideal for retention, high profitability and unmatched competitive advantage in any given industry. Therefore, in the current turbulent environment, learning organization must integrate the people dimension of change with the business dimension of change to remain competitive both in service delivery, being an employer of choice and a partner of choice in business.

5.4 Recommendations for Policy and Practice

The study established that there is room for improvement in Safaricom's integration of dimensions of change to realize best practices in change management. The research therefore recommend that the company should encourage employees to use available avenues such as people surveys to genuinely express themselves and raise issues pertinent to improving the organization's climate to optimum productivity. The organization should keep the communication channels widely open, provide regular feedback and be seen to respond and act on the suggestion given by employees continually.

The organisation's management needs to prioritise the activities that give quick significant improvement on the relationship between the employees and the business. Employees are the ambassadors of Safaricom and therefore they ought to be in a mind-set and an emotional state to keep Safaricom way in them on and off duty. Keeping employees in regular awareness in what is cooking through regular communication before, during and after the change should be encouraged to keep the trust burning. Employees should be made aware of what is in it for them in the change process and change messengers should always be credible and full involvement of all stakeholders established before rolling out any change initiative.

The policy makers, regulators and government in general have an opportunity to understand the dynamics of integrating people and business dimension of change for harmonization of objectives and reduce behavioural and systemic resistances in organizations. Scholars and researchers will also find the results of this study useful for further research. The findings of

this study will be of value to mobile telephony industry through the turbulent times. The insights on this dimension of strategic change management by a successful MNO offers lessons and make both anticipation and management of dimensions of change a reality.

5.5 Limitation of the Study

The research being a case study was limited to only one mobile network operator. This means that information from other players was not included in the study and therefore the findings and conclusion made may be unique to Safaricom only yet the industry is not monopolistic hence it may not be sufficient to generalize the findings at this stage on integrating people and business dimension of change in mobile telephony industry.

The time available for interviews was limited since all interviewees were interviewed in their work places and could only manage to spare an hour from their busy schedules. Some of the interviewees being senior managers, due to the nature of their daily engagements, could not be found and it took long to get appointments a times rescheduling the meetings due to urgent assignments. With available time some issues could not as well be exhaustively interrogated or responded to during the interview.

5.6 Areas for Further Research

The case study has focused on Safaricom limited only and therefore, the findings have not exhausted the mobile telephony industry. With the same conceptualization a similar research should be replicated in another mobile network operator to provide a different context so as to interrogate and verify the results found in this study for purposes of obtaining an across industry conclusion.

Since factors and catalyst of performances could be similar across service industry a similar research is recommended to be done in an organization of any other service industry other than in mobile telephony industry. This will enable scholar to ascertain the impact of integrating people and business dimension of change in service industry by comparing the studied industry with results obtained for studies made in mobile telephony industry.

The research should also be moved further from a case study to a survey so that comparison can be done across the industry to be able to obtain rich data which can be applied to the mobile telephony industry. A survey research would require quantitative analysis of data which would therefore increase the confidence level of the findings and provide avenue to generalize the obtained conclusion.

The study gave an opportunity for more studies to be carried out on the relationship between business dimension of change and people dimension of change. The future scholars therefore should study more to understand the effects and impact of business and people dimension of change in performance of mobile network operators.

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APPENDICES

Appendix I: Introduction Letter



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 8/9/2014

TO WHOM IT MAY CONCERN

The bearer of this letter ... BWALET KIPLAGAT THOMAS

Registration No. ... D.E.I. 67163/2011

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Letter Requesting Permission to Carry out Research

BWALEY K. THOMAS,
P.O. BOX 383-0030100,
ELDORET.

DIRECTOR RESOURCES,
SAFARICOM LTD,
P.O. BOX 66827-00800,
NAIROBI.

Dear Sir/Madam,

PERMISSION TO CARRY OUT RESEARCH ON INTEGRATING BUSINESS AND PEOPLE DIMENSION OF CHANGE AT SAFARICOM LIMITED, KENYA.

I am a postgraduate student at the University of Nairobi, School of Business. I am currently conducting a research in partial fulfillment of the requirements for the award of the degree of Masters of Business Administration.

I humbly request for permission to carry out the research at your esteemed company on the topic: **Integrating business and people dimension of change at Safaricom Ltd.**

This study is purely for academic purposes and its findings, which will be made available to you, will not be in any way used in ways detrimental to your organization.

Your assistance will be highly appreciated.

Yours faithfully,

BWALEY K. THOMAS

Appendix III: Interview Guide

TOPIC: Integrating business and people dimension of change at Safaricom Ltd.

PART A: ORGANIZATIONAL PROFILE

Employment title: _____

Department: _____

1. How long, in years have you worked with Safaricom Ltd?
2. How many years have you been in your current position?

PART B: INTERVIEW QUESTIONS

1. Has Safaricom undergone any strategic change program in the recent past? If yes what did the change entail?
2. What changes have taken place at Safaricom Kenya ltd. pertaining the following;
 - a) The business
 - b) The people
3. How did the business prepare itself as an entity for the changes you have mentioned?
4. What did Safaricom do to ensure that all employees transition successfully?
5. How were people equipped before and during the change?
6. What were the gains obtained by equipping the employees before the change?

7. Are employees guided through the change process? If yes, how is it done?
8. What has Safaricom done to ensure change stay in place and that individuals do not revert to old ways?
9. Was there any resistance to Safaricom's strategic change? If yes what type of resistance?
10. What were the causes of resistance given above?
11. What did Safaricom do to reduce or mitigate on the resistances to the change?
12. The following actions are necessary in guiding employees through a change process in an organization. What specific measures are used in Safaricom ltd to address among the employees:
 - i. Creating awareness for the need for change.
 - ii. Developing a desire to participate and support change.
 - iii. Developing a knowledge base of how to change
 - iv. Facilitating the ability to roll out and implement change
 - v. Reinforcement to sustain change.
13. How does Safaricom identify the people needs to meet the business needs?
14. Has Safaricom integrated people and business aspect of change? If yes, how has it done?

15. The concept of harmony of objectives notes that individuals have personal goals that are different from organizational goals but these can be harmonized. How has Safaricom harmonized employee's goals and the organization's goals?
16. Is there any activity undertaken currently at Safaricom Ltd to synchronize business and people aspects of change? If yes what are the examples of these activities?
17. What are the gains of harmonizing people dimension and business dimension of change at Safaricom Ltd?
18. How is the harmonization of these dimensions being reinforced at Safaricom Ltd?
19. To what extent has Safaricom integrated People and business dimension of change?
20. How has the organization's culture, values, and behaviours been used to encourage the desired results?
21. For an organization to successfully implement change what must it do?
22. What other comment or suggestion would you make about the impact of integrating people and business dimension of change in an organization?

Thank you greatly for your cooperation and sincere responses.

