

Effect of Emotional Issues of Strategic Change Management on Performance at Kenya Airways

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Abstract: *In the current world, change must occur and organizations are not left out. Organizational change is a socially constructed reality with negotiated meaning as outcomes of power relationships and struggles for supremacy. The change management process in any organization must happen due to the awareness of the need for change. Perceptions of these changes are multi-dimensional and have behavioral implications for humans' decision-making. Employee perception of change management should be an important factor to an organization as it determines whether the organization will succeed or fail in its change processes. Therefore, this study established the effect of emotional issue of strategic change on performance of Kenya Airways. This study adopted a descriptive research design. The target population of this study consisted of the 480 management staff working for Kenya Airways within all the three levels of management. A sample of 48 respondents (10% of the target population) was drawn from the 480 target population. Stratified sampling technique was used to sub-divide the population into levels obtaining a representative sample. Primary data was then collected using structured questionnaires. Analysis and interpretation of the data was done using both qualitative and quantitative methods according to research objectives and research questions. The data collected then was summarized, classified, tabulated and analyzed qualitatively. Data presentation was then tableted into charts and percentages.*

Keywords: Analysis of emotional, attitudinal issue, Employee perception, Strategic change, performance and Kenya Airways

1. Introduction

Strategic organization change defined as, a concerted, planned effort to increase organizational effectiveness and health through changes in the organization's dynamics using behavioral science knowledge. (Symphony Orchestra Institute, 2001). Organizational change is a socially constructed reality with negotiated meaning as outcomes of power relationships and struggles for supremacy (Grant et al., 2005). As a process, organizational change means the interplay of elements of change that goes on and on that happens within the organization. Unlike physical objects, organizational change is not discrete, static or solitary; it is a process that exists in time. Considering organizational change as a process, it means that it was necessary to look at more than just the various strategies to introduce change in organizations or their outcome, and dig deeper to discover relationships and reactions that feed back to inform the change process.

In the recent years especially, the nature of change has increased with a greater degree and pace. Therefore, an organization has first to identify the factors that have created this necessity for change, identify their characteristics and then determine how the changes will be done without the interference of work flows. The factors that majorly contribute to change range from cost reduction, redundancies, technological, cultural change and performance improvement (Doyle, 2002). Change in its broadest sense is a planned or unplanned response to pressures and forces, in particular technological, economic, social, regulatory, political, and competitive forces (Jick, 1993). He sees organizational change as an important issue because simultaneous, unpredictable, and turbulent pressures have become more the norm than the exception.

Perception can be defined as a "complex process by which people select, organize, and interpret sensory stimulation

into a meaningful and coherent picture of the world" (Berelson and Steiner, 1964). Perceptions are multi-dimensional and have behavioral implications for humans' decision-making. Several perceptions of change are acting as determinants of employees' reactions to change management. During organizational change processes, employees create their own perspectives and interpretations of what is going to happen, what others are thinking, and how they themselves are perceived. Additionally, if there is a lack of information about the change, then evidence of employees' own perspectives and interpretation of the change is more likely to be observed (Coghlan, 1993).

Managing organizational change is problematic: situations in which changes are undertaken are shifting; it is harder for organizations, and in particular top managers as well as change agents, to prepare for and manage the change in ways that satisfy both the organization and its employees. Employees who are confronted with changes in their organization face an inevitable choice: whether they should support or resist such changes in order to still (or best) achieve their personal goals and objectives. Rather, the real problems arise when deciding how to help employees adapt to the change. Schabracq and Cooper (2005) believe that employees' stress rises because positions and technical skills may be changed or altered. When employees cannot make necessary technical adjustments, a sense of uncertainty arises about the future, which, in turn, creates stress. This uncertainty can affect employees' job commitment and job satisfaction thus affects their performance.

A strategy is a plan of action designed to achieve a specific goal. Strategy is all about gaining (or being prepared to gain) a position of advantage over adversaries or best exploiting emerging possibilities. Since there is an element of uncertainty about the future, strategy is more about a set of options (Strategic Choices), than a fixed plan. Drucker (1993), explains that there is therefore a growing need for organizations to move beyond solving existing problems to

continuously improving in the face of changing conditions. The challenges posed by the changing environment cannot be resolved in a haphazard manner. There is need for organizations to adopt a strategic approach to dealing with the changes, if they are to survive.

Kenya Airways Ltd., more commonly known as Kenya Airways (KQ), is the flag carrier and largest airline of Kenya. KQ prides itself as the African Airline and hence plans to increase concentration on the African routes. The company was founded in 1977, after the dissolution of East African Airways. The carrier's head office is located in Embakasi, Nairobi, with its hub at Jomo Kenyatta International Airport. The cargo handling company African Cargo Handling Limited is a wholly owned subsidiary of Kenya Airways; partly owned companies are Kenya Airfreight Handling Limited, dedicated to the cargo handling of perishable goods and 51%-owned and Tanzanian carrier Precision Air (49%-owned). The airline was wholly owned by the Government of Kenya until April 1995, and it was privatized in 1996, becoming the first African flag carrier in successfully doing so. Kenya Airways is currently a public-private partnership. The largest shareholder is the Government of Kenya (29.8. %), followed by KLM, which has a 26.73% stake in the company. The rest of the shares are held by private owners; shares are traded in the Nairobi Stock Exchange, the Dar-es-Salaam Stock Exchange, and the Uganda Securities Exchange. Kenya Airways is widely considered as one of the leading Sub-Saharan operators. The carrier became a full member of SkyTeam in June 2010, and is also a member of the African Airlines Association since 1977. As of June 2012, the airline has 4,834 employees. In June 2012 the company announced the issuance of rights worth KSh20 billion, aimed at increasing capital to support expansion plans. Following the allocation of shares, KLM increased their stake in the company from 26% to 26.73%, while the Kenyan government boosted their participation into the company from 23% to 29.8%, becoming the new major shareholder of the carrier. Kenya Airways (KQ) operates domestic, regional and long-haul routes from its Nairobi hub. Kenya Airways operates: domestic routes between Nairobi and Mombasa, Kisumu and Eldoret; regional routes to Entebbe, Kigali, Dar es Salaam, Zanzibar and Kilimanjaro, from Nairobi and Mombasa; routes to Southern Africa (Johannesburg, Ndola, Seychelles, Lilongwe, Lusaka and Lubumbashi), North-East Africa (Addis Ababa, Cairo, Khartoum and Djibouti) and Central and Western Africa (Douala, Lagos, Accra, Abidjan and Kinshasa); intercontinental routes to Europe (London and Amsterdam) and Asia (Dubai, Bombay, Bangkok and Hong-Kong).

2. Statement of the problem

Change is a critical factors that influencing employee performance and thereby, the success of any organization is how employees perceive the various initiatives that the management introduces to realize their strategic goals. The way employees perceive change in an organization determines whether the change is viewed as an opportunity or viewed as a negatively as a threat (Vithessonthi, 2005). Employees can either be ready to change depending on their perception. Both factors may be effective for

implementation of organizational change as to develop employee readiness.

Kenya Airways is the major national carrier. This organization has been going tremendous changes since 2009 brought about by decreasing revenues due to changing business environment such as competition from other airlines. High operational costs of operation have also been a challenge to this organization forcing them to make strategic change decisions. Most recent one is the change of the CEO and the retrenchment of over 600 employees in the early 2016.

Various studies such as: (Kiini, 2007; Kinanu, 2007; Michira, 2007; Amenity, 2008, Mwiriki, 2015) have been done that relates to the employee performance. Few studies have dwelt on Kenya Airways but on different aspects of employee performance and employee perception other than the variables used here. It is from this backdrop that the researcher thought it wise to undertake the study to bring out a deeper understanding of the relationship between the perception of employees and their performance.

The General objective of the study

The general objective of this study was to determine effect of emotional issues of strategic change management on performance at Kenya Airways

The Specific objectives of the study

- 1) To establish the effect of identity on performance at Kenya Airways
- 2) To determine the effect of uncertainty on performance at Kenya Airways
- 3) To determine the effect of values on performance at Kenya Airways

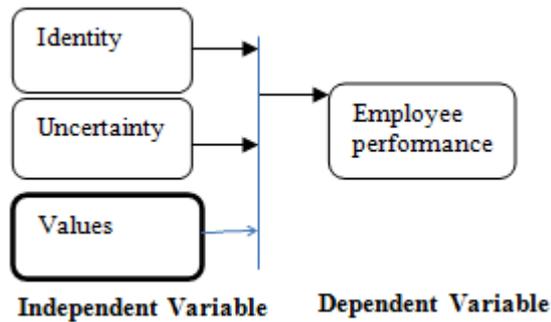
3. Literature Review

Organizational change theory

Businesses have been changing at a break neck speed, so managers must reorganize their firms to gain a competitive advantage. According to the organizational change theory, change is of utter necessity in an organization. The theory explains that the change of organizational culture, structure, and design would help an organization into adopting efficient and effective change strategies. Indeed, according to McDonald (2000), Darwin's theory of survival for the fittest, has been continuously applied to the organizational theory. In this light, Vaill (1989) points out that organizations have to implement change, when it is inevitable, or risk elimination from competition. The theory also stipulates that organizations have to put in place change that is results driven, and an important results for businesses in a competitive environment is profitability for supermarkets, since profitability is a motivation, change of various profitability driven practices is therefore of utter essence.

4. Conceptual Framework

The study adopted the following conceptual framework:



Source: Author 2016
 Conceptual framework

Emotional issues

Work situations provoke emotions, because they are important to us. Emotions are defined as socio-cultural patterns of experience and behaviour (Gergen, 1999). These patterns are acquired, validated and acted out in social relationships and closely entrenched in beliefs, norms and values (Averill, 1980; Harré, 1986). Gordon (1989) views emotion as “a way of defining a situation or more accurately, of defining one’s place in a situation in terms of important values”.

Thus, emotions experienced or expressed in the work context characterize an individual’s or a group’s position with regard to a situation or event. They serve an important social function, for example as symbolic displays to others about one’s values, standards and expectations. On the other hand, they also provide vital clues to one’s self, signalling how a situation is personally relevant (Gordon, 1989; Hochschild, 1983). Emotions therefore inform the individual about the significance of the ongoing situation or event according to that person’s values and expectations. Self-focused emotions such as guilt or shame on the other hand are constructed around moral values, ideals and standards (Fischer, 1991; Lazarus, 1999). Self-focused emotions such as guilt or shame are constructed around moral values, ideals and standards (Fischer, 1991; Lazarus, 1999).

Identity is viewed as reflexive and relational: reflexive as it focuses on a person’s perception of (and relation to) him or herself, and relational as the self-concept is constructed in relation to the social world which provides for the categories and values needed to understand oneself. The relationship to one’s context constitutes the material from which the self is constructed over time (Ashforth&Mael, 1989; Gergen&Gergen, 1988). Identity theorists too view this process as closely linked to the experience and expression of emotion (Fogel, 2001).

Work is one life domain in Western culture that provides for such identity-relevant relationships (which includes social relationships and relationships with “objects” such as “work”) (Albert, Ashforth, & Dutton, 2000; Kahn, 1990). This means work can help people to understand themselves and their lives as meaningful. Not only can the work setting be a field for social integration through interactions and social recognition, it is also a potential field for developing a sense of agency and competence (Hui& Lee, 2000). Organizational change is thus likely to bring changes and

challenges to identity-relevant relationships at work, and are experienced emotionally.

Uncertainty regarding organizational level issues, such as reasons for change, planning and future direction environment the organization is facing should be explained. When the firm is undergoing some changes, it is certain that it is moving from known to unknown. This may throw the employees into panic as their future is thrown to unknown (Lazarus, 1999). Uncertainty regarding to chain of command, relative contribution and status of work units, and policies and practices may arise. In addition, job security, promotion opportunities, changes to job role etc maybe some future unknowns.

Research Methodology

A case study research design was selected because this brought a researcher to an understanding of a complex issue and extended experience or add strength to what is already known through previous research. Case studies emphasizes detailed analysis of a limited number of events or conditions and their relationships, (Yin,1997). Time and availability of data are also important considerations in the determination of the case study.

In this study, the study targeted the 480 provided by Human Resource office, manual report, (2015) management employees of Kenya Airways, Jomo Kenyatta International Airport, Embakasi. The population targeted was comprised of all the levels of management of the Airline. The respondents were chosen due to the knowledge they possessing about all the employees and their position in the formulation and implementation of change in the organization.

Mugenda and Mugenda (2003) argues that sampling is that part of the statistical practice concerned with the selection of individual or observations intended to yield some knowledge about a population of concern. They advise that a researcher sample size of 10% to be appropriate as long as the sample size is more than 30, (n > 30). The sample size was 48 respondents.

Table 3.1: Target Population

Management Level	Target population	Sample Size	Percentage
Top Level	72	7	15
Middle Level	166	17	35
Entry Level	242	24	50
Total	480	48	100

Source: Human Resource Office, Kenya airways (2016)

In order to meet the objective of the study, open and closed ended questionnaires were used to collect the primary data developed by the researcher.

The questionnaires were used to obtain primary data from the sampled population, who were the departmental heads and senior managers. All the respondents were asked the same questions in the same order. The questionnaires provide both qualitative and quantitative data.

Secondary data were also used, extracted from previous research reports and company documents review. A descriptive study was analyzed based on secondary data obtained from available financial statements derived from the website of study company.

Qualitative analysis was done on the information collected from the results of the questionnaires; quantitative analysis was included, both descriptive and inferential statistical techniques were used. Descriptive statistics was used to analyze the quantitative data. The findings were presented using tables, graphs and pie charts.

5. Results and Discussions of the Findings

The study sought the opinion of the respondents in establishing the fact that work situations provoke emotions. The results were that, 74% were in agreement with the statement, 13% were not sure while an equal number of respondents, 13%, disagreed with the statement. This means that the situation in which one is, imparts other patterns of behavior. This brings a certain culture into employees. This confirms the study done by Jones (2010) that work situations may provoke positive and negative attitude towards change..

Emotions define a situation or an individual's place in a situation in terms of important values. This statement was supported by 81% of the respondents with only 11% of the respondents either not sure or did not support it. How an individual handles a situation matters a lot and this helps in judging the individual's ability to handle different situations. The findings of the study by Jones (2010) that the positive or negative attitudes provoked by the work situation have been confirmed by this study.

From the findings, self-focused emotions such as guilt or shame are constructed around moral values, ideals and standards, 87% of the respondents agreed while 11% of the respondents disagreed. How employees conduct themselves during a change situation, impart some values in them. This will turn positive or negative and will affect how they perform in the organization.

On the statement that organizational change is likely to bring changes and challenges to identity-relevant relationships at work and are experienced emotionally, 87% of the respondents agreed with the statement as they claimed many employees work as a team and that foster relationships that very important in improving their performance. However, these broken relationships are experienced emotionally and affect performance. Only 6% of the respondents disapproved the statements citing that performance is measured from each individual's output. The study conducted by Kinanu (2007) revealed that informal groups formed by employees within an organization helps in improving employees' performance.

When the firm is undergoing some changes, it is certain that it is moving from known to unknown. This may throw the employees into panic as the future becomes unknown. This statement was supported by 93% of the respondents claiming that some departments end up being merged to reduce the wage bill and many jobs are lost. This makes employees not commit themselves with what they do in the organization. Only a partly 7% of the respondents neither agreed nor disagreed as they said the changes comes with opportunities to grow. This study confirms the results by the study by Michira (2007) that change means moving from moving from known to the unknown and this puts in the employees' the fear of unknown.

6. Summary of the Findings

The result of this study have indicated that sought work situations provoke emotions therefore invoking patterns of behaviors in the employees. Emotions of the employees therefore define a situation or an individual's place in a situation in terms of important values. However, how the individual handles a situation matters a lot and this helps in judging the individual's ability to handle different situations. Organizational change is likely to bring changes and challenges to identity-relevant relationships at work and are experienced emotionally as confirmed by the 87% of the respondents. These broken relationships are experienced emotionally and affect performance. Some departments end up being merged to reduce the wage bill and many jobs are lost. This makes employees not commit themselves with what they do in the organization.

7. Conclusions

Employee perception is a very important aspect at work place especially when the organization is projecting to introduce a strategic change. The employees output determines the organizational performance in the industry. Whenever an organization wants to improve, the organization has to plan and provide necessary resources beforehand. The communication of the change should be done early and this should be an all-inclusive affair of all the stakeholders. The findings of this study will help other institution on handling change on the employee perspectives.

8. Recommendations

The respondents in totally tended to agree with perceptions of employees that emotional issues affect how employees perform in an organization. The organization ought to consider the emotions of the employees, what their jobs mean to them and when undertaking any change, then employees contribution must be welcomed.

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