

# Effects of Change Management Practice on Organizational Performance in the Media Industry in Kenya: A Case of Standard Media Group

Francis Munyalo<sup>1</sup>, Susan Were<sup>2</sup>

<sup>1</sup>Jomo Kenyatta University of Agriculture and Technology

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

**Abstract:** *This study explored the effects of change management practice on organizational performance. The study was conducted using a representative sample of 70 staff members based at the head office in Nairobi, Kenya. A researcher developed questionnaire was administered. Descriptive statistics in the form of percentages, means and frequencies were used for analysis and presentation. In addition spearman's coefficient correlation analysis was used to predict relationships between variables. Recommendations for staffing and resource allocation are given.*

**Keywords:** Digital Migration, Technology, Organizational change management, Competition

## 1. Introduction

### 1.1 Change management practice on Organizational Performance

Due to environmental complexity, globalization, competition, influence of technology and changing consumer needs, the need for change has become a necessity. Most organizational managers today contend that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Organizational change management involves guiding and managing human emotions and reactions with the aim of cutting down the unavoidable drop in productivity that is brought about by change. Leana and Barry (2000) assert that organizational change leads to an adaptation to the environment and hence improvement in performance. In the current corporate market, change is constant.

According to Burnes (2004), there are two approaches to change management and these are planned and emergent change. Planned change is a process of moving from one fixed state to another through a series of pre-planned steps while emergent change views change as a continuous open ended and unpredictable process of aligning and realigning the organization to its changing environment. Kenyan media has been operating in an unpredictable and swiftly changing political, social, cultural, economic and technological environment that has heavily influenced its development. Unsophisticated liberalization of telecommunications since 1998 led to slow, uneven and haphazard growth in broadcasting. Mbeke and Mshindi (2008) point out that Kenya has sophisticated, diverse and lively media sector characterized by television, print, radio and thriving new media such as internet and mobile phones.

The main factors to consider in change management practice in organizations are planning, change governance, committed leadership, informed stakeholders and an aligned workforce (Heathfield, 2009). Critical to successful change is good planning. Successfully managing the complexity of

change is virtually impossible without a robust plan that is supported by strong project management.

Organizations that successfully manage change typically develop a workforce plan specifically designed to steer their organization toward achieving its change vision. Workforce planning ensures the organization has an adequately skilled workforce to support its post change needs (Heathfield, 2009). Though change is inevitable in any organization, resistance to change is a common subject in the change management literature. Employees resist changes because they anticipate them to have an unwanted outcome. White (2000) examines the change management strategy as the key to success.

The media industry in Kenya has evolved and has moved towards monopoly, concentrating ownership in a few hands and spreading it to cover more fields. Media owners, driven by the profit motive, have opposed government proposals (National Information and Communications Technology Policy, 2008). Kenya's audiences can access diverse media choices but they are heavily fragmented. Audience habits, preferences and patterns affect media behavior, Mbeke and Mshindi, (2008). The recent migration from Analog technology to Digital technology has brought about huge benefits to the media sector in Kenya.

According to Maurer (2001), for any organization to remain at the top in this competitive world, it has to support and implement continuous and transformational change. Today, media companies are competing not just on a national arena, but increasingly at international and global level. A study by Prowse (2003) shows that research on the drivers of organizational changes is indeed scarce. This shortage is confirmed by Oman (2003) who holds a consensus that although the subject of organizational changes in developed economies has recently received a lot of attention, the literature in developing economies has been almost ignored by researchers, an idea shared by Stanger (2004).

Scholars on resistance to change point out the need for

research beyond top-down organizational change, studies should pay attention to the dynamics of change processes Jones et al (2004), and thereby contribute to the understanding of resistance, which is paramount to the high failure rate of change programs Quinn and Dutton (2005). According to research done on change processes, the study focuses on a discourse perspective and argue that every change program contains subjective dimensions involving informal sense making interactions Ford et al. (2008). The way in which people interpret a change project is reflected in the language they use, hence, in their discourses.

A study on Management of strategic change at Kenya Post Office Savings bank concluded that Post Bank strategic change management process was successful and it met management objectives Guchu (2013). In view of the above mentioned studies, the studies have focused on different drivers of change, the impact of language as a change agent, the models of change and the general need for strategic change. This study sought to answer the question, what are the effects of change management practice on organizational performance and how the standard group implements change without affecting its performance?

## 2. Literature Survey

### 2.1 Behaviorism Theory

This theory is based on the idea that behaviors that are reinforced will tend to continue while behaviors that are punished will eventually end. Behaviorism is a world view that operates on a principle of stimulus-response. All behavior caused by external stimuli (operant conditioning). Operant conditioning can be described as a process that attempts to modify behavior through the use of positive and negative reinforcement. Through operant conditioning, an individual makes an association between a particular behavior and a consequence. All behavior can be explained without the need to consider internal mental states or consciousness. (BF Skinner 1950). Behaviorism assumes a learner is essentially passive, responding to environmental stimuli. The learner starts off as a clean slate and behavior is shaped through positive reinforcement or negative reinforcement, B.F Skinner (1950). The discipline of change management deals primarily with the human aspect of change. To be effective, change management should be multi-disciplinary, touching all aspects of the organization. It is also important to estimate what impact a change will likely have on employee behavior patterns, work processes, technological requirements, and motivation Probst & Raisch (2005).

### 2.2 Transnational Media Management theory

In the past two decades, the rapid movement of media companies into the global markets has spurred a corresponding surge in research on transnational media management and economics (Parker, 1996). As today's media and telecommunication companies continue to grow and expand, the challenges of staying globally competitive become increasingly difficult (Dimmick, 2003). The relentless pursuit of profits have made companies around the world vigilant in their attempts to right-size, reorganize, and

reengineer their business operations. Indeed, perhaps the only unifying conceptual element in transnational organizational research is the assumption that having operations in multiple national markets will affect organizations or organizational outcomes in some way. The advancement of technology may offer opportunities for an organization to more efficiently realize its goals and thus become a catalyst for change (Fahey, 1994). The management of innovation has been identified as one of the most critical areas of research for the field of media management and economics. Volume and velocity of those changes pose a great challenge to all media sectors (Küng, 2007). Consequently, there is a need for programmatic research on technologies and innovations in media that will contribute to the development of innovation management theory.

### 2.3 Change theory

Theory of Change defines all building blocks required to bring about a given long-term goal, it describes the types of interventions that bring about the outcomes depicted in the pathway of a change map. Each outcome in the pathway of change is tied to an intervention, revealing the often complex web of activity that is required to bring about change. Often, assumptions are supported by research, strengthening the case to be made about the plausibility of theory and the likelihood that stated goals will be accomplished. (Maurer, R. 2001) Stakeholder's value theories of change as part of program planning and evaluation create a commonly understood vision of the long-term goals, how they will be reached, and what will be used to measure progress along the way. According to Cenek. R.E (1995), change process builds up divisions and disagreement among competing interest groups or individuals. Successful change is required to build alliances, frame issues, and to form arenas where disagreements can be worked into treaties.

### 2.4 Lewin's 3 Step Model theory

The Lewin (1951) 3 step model elaborates the change process clearly and simply and was therefore adopted for purposes of this study. The first step in this model is to "unfreeze" people: i.e. this first step in the process of unfreezing is culturally sensitive and it aims at making people understand why things should be done in another way. The goal during the unfreezing stage is to create an awareness of how the status quo, or current level of acceptability, is hindering the organization in some way. The second step in the model is "Changing": Now that the people are 'unfrozen' they can begin to move in a different way. There is therefore need to develop new insights, attitudes and skills. This theory recognizes that change is a process where the organization must transition or move into this new state of being. This changing step, also referred to as 'transitioning' or 'moving,' is marked by the implementation of the change. This is when the change becomes real. It is a time marked with uncertainty and fear, making it the hardest step to overcome.

Finally, the third step is "freezing", at this level; the newly acquired skill should be developed into a routine. Lewin

(1951) called the final stage of his change model freezing, but many refer to it as refreezing to symbolize the act of reinforcing, stabilizing and solidifying the new state after the change. The changes made to organizational processes, goals, structure, offerings or people are accepted and refrozen as the new norm or status quo. Lewin found the refreezing step to be especially important to ensure that people do not revert back to their old ways of thinking or doing prior to the implementation of the change. Efforts must be made to guarantee the change is not lost and there is minimal resistance to the change; rather it needs to be cemented into the organization's culture and maintained as the acceptable way of thinking or doing. Positive rewards and acknowledgment of individualized efforts are often used to reinforce the new state because it is believed that positively reinforced behavior will likely be repeated.

### 3. Methodology

#### 3.1 Research Design

This research adopted a qualitative research design. Brown (2003) defined qualitative study as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.

#### 3.2 Population

Serakan (2001) defines population as the entire group of people or events or things of interest that the researcher wishes to investigate. The target population comprised of 70 employees of the Standard Group based at the Head office in Nairobi. Four departments of the Standard Group were considered in the study in order to provide a logical level of size without sacrificing the depth and richness of the data.

#### 3.3 Sample Size

Cooper and Schindler (2000) assert that the researcher must clearly define the characteristics of the population, determine the required sample size and choose the best method for selecting members of the sample from the larger population. The researcher conducted a census on 70 people. This was obtained from the four departments in Standard group. This number represented the target population for purpose of reliability, flexibility and efficiency (Mugenda, 2008).

#### 3.4 Data collection tool

The research used a questionnaire as the research tool for data collection. A questionnaire is a data collecting instrument sent out in a formal way, designed to elicit the desired information from respondents (Gay, 1992). A structured approach to collecting data was utilized, where the questionnaire containing both open and closed questions was administered to target respondents.

#### 3.5 Data Analysis and Presentation

The major tool of data analysis was descriptive statistics.

The study used Pearson Chi-square to establish the degree of association between independent variables (Kombo & Tromp, 2006) and dependent variable to assess the effect of change management on the likelihood that it affects the organizational performance. This form of presentation helps in showing the magnitude of similarities or differences between the variables. The findings and information collected were presented and discussed as per the objectives and research questions of the study, (Nunnally, J. C. 1978).

### 4. Findings and Discussion

#### 4.1 Customer changing needs

**Table 1: Customer changing needs and organizational performance**

<i>Customer Changing Needs</i>	<i>frequency</i>	<i>Percentage</i>
Social values	25	41.7%
Lifestyle	5	8.3%
Age	30	50%

The study results presented in Table 1 indicate that respondents agreed to the statement that age (50%) is a major factor to consider in change management in the media industry and also agreed that the media industry should always factor in the social values which customers believe in (41.7%). However, respondents disagreed that different customer lifestyles have a great impact on organizational performance (8.3%). These results agree with Stanger, (2004), that customers are increasingly interested in buying products from brands and companies that reflect their environmental and social values – a trend we call “ethical consumption.” Other study with similar results as the current study include the study by Garg & Singh (2002) which noted that the key to winning is to put today’s and tomorrow’s customers at the heart of your business, aligning marketing, pricing, sales and service functions around the customer needs and behaviors.

#### 4.2 Industry Competition

**Table 2: Industry Competition and Organizational performance**

<i>Industry Competition</i>	<i>frequency</i>	<i>Percentage</i>
New Entrants	10	16.7%
Diversity	35	58.3%
Globalization	15	25%

Results presented in Table 2 indicate that the respondents agreed that diversity (58.3%) in the media industry has a great impact on the organizational performance, they also indicated that new entrants (16.7%) in the media industry does not have a great impact on the organizational performance. Further, respondents also agreed that the globalization (25%) effect has made Standard group implement change because it has a big effect on its performance globally. These results agree with Garg, (2005) findings that each business operates among a group of rivals that produce competing products or services and each industry tends to have its own rules of engagement governing such issues as product quality, pricing, and distribution. The findings also concurred with findings by Parker (1996) that the rapid movement of media companies

into the global markets has spurred a corresponding surge in research on transnational media management and economics. Further, respondents also agreed that the globalization (25%) effect has made Standard group implement change because it has a big effect on its performance globally. These results agree with Garg, (2005) findings that each business operates among a group of rivals that produce competing products or services and each industry tends to have its own rules of engagement governing such issues as product quality, pricing, and distribution. The findings also concurred with findings by Parker (1996) that the rapid movement of media companies into the global markets has spurred a corresponding surge in research on transnational media management and economics.

#### 4.3 Effects of Technology

**Table 3:** Effect of technology on Organizational performance

Effect of Technology	frequency	Percentage
Electronic Business	35	58.3%
New Innovations	15	25%
Technology Advancement	10	16.7%

The results indicate that the respondents strongly agreed to the statement that the electronic business (58.3%) largely influences change management on organizational performance while they also agreed that the adoption of new innovations. The findings concur with Fahey (1994) that the advancement of technology may offer opportunities for an organization to more efficiently realize its goals and thus become a catalyst for change. Also the findings agree with Glynn (2004) who noted that in the current competitive market, information technology (IT) is being introduced because it acts as a channel of distribution and medium of interaction.

(25%) is an important factor to be considered in the media industry. The respondents also asserted that technology advancement (16.7%) is still a factor to consider in change management.

#### 4.4 Resistance to change

**Table 4:** Resistance to change and organizational performance

Resistance to Change	frequency	Percentage
Status quo	25	41.7%
New operational methods	5	8.3%
Loss of jobs	30	50%

Study results revealed that the respondents strongly agreed that loss of jobs (50%) is considered critically as the biggest reason for resistance to change in the standard media, while they also strongly agreed that the status quo (41.7%) contributes to change resistance. Further, the respondents strongly agreed that the introduction of new operation methods (8.3%) is the least cause to change resistance at the standard group. These results agree with Bolman and Deal (2003) who assert that change strips those involved in the process of their skills and confidence, hence people will resist it. Other study with similar results as the current study

include the study by Drazin and Joyce(2000) claim that attempts to change will meet with a range of resistant behaviors, as well as high turnover, lower efficiency, and aggressive acts towards management.

#### 5. Conclusions

To successfully achieve change management in organization, review of the existing practices is a mandatory. The study has led to the conclusion that different aspects of change have structure or boundaries. The human and organizational boundaries cannot be separated from the processes of the system; the fact that social organizations are contrived by human beings suggests that they can be established for an infinite variety of objectives.

The study concludes that when faced with competitors, companies should seek to innovate in order to differentiate themselves from others and gain more consumers as well as market share. This benefits consumers by providing more choices and better quality of goods and services. In extreme cases, these innovations may lead to changes in society and lifestyles. Along with the drop in prices, companies should also make efforts to better understand unmet consumer needs and work towards developing products and features to meet these needs.

From the study we can conclude that the new media landscape has transformed the media environment, pushing traditional media into finding new ways of repackaging content or adopting new trends. There has been an emergence of exclusively online media outfits that compete with traditional media houses, which are also extending their services to online channels.

Moreover the study established that change should be expected without being linked to incentives where they are lured to accept or adopt change. Change should be deliberate and inclusive. The project lead for the change should be known and project champions aid the planning and implementation process.

Conflicts in the change process should be identified and try to be solved effectively so as not to disrupt the implementation process as those who are opposed to the change may be defiant and slow down the process of change.

#### 6. Recommendations

From the study findings, the following recommendations are made. First, the organizations should emphasize on the fact that 'Customer is the king' and all activities of the firm should focus on the customer. The products/services of the organizations must be tailored to suit the changing customer needs in order to facilitate good 'word of mouth advertising' and hence repeat buying.

Secondly, due to increased industry competition the organizations should emphasize more on the importance of satisfaction, loyalty and quality, in order to win customers and maintain sustainable competitive advantages. In addition, with the increasingly competitive environment in

the global market organizations must find a new marketing model in order to realize intelligence-driven customer transactions and experiences. Thirdly, due to abruptly and rapid changes in technology that can create new improved products and render the existing products and services obsolete, the organizations should invest in new technology/equipments and upgrading of existing systems. Lastly, resistance to change introduces expenses and delays into the change process that are difficult to anticipate thus Change management needs to be handled delicately and effectively in order to achieve desired results with minimum resistance. Change management is fundamental and should be deployed with logical reasons and involvement in the change project.

## 7. Future Scope

Based on the researchers findings, there is need to conduct research which would specifically look into the disconnect that exists between the competence of change sustainability and the strategies to overcome the barriers of change. There is also need to conduct a research to assess the performance of change and its impact on media industries

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## Author Profile

**Francis Munyalo** is a Portfolio Specialist with CTG Global, a company specializing with human resource development. Francis holds a Bsc in Information Technology

**Susan Were** is a full time Lecturer at Jomo Kenyatta University of Agriculture and Technology. She is also a human resource advisor regionally and internationally.