

THE EFFECT OF STRATEGY ON ORGANIZATIONAL CHANGE.

A CASE STUDY OF KENYA PORTS AUTHORITY.

WANDERA BONVENTURE.

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FACILITATOR: OLUTAYO OSUNSAN.

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NOVEMBER 2010.

Declarations

I, Wandera Bonventure , declare that this research report is my original work and has never been presented for an award of any degree in any university or any other institution of higher learning .I further declare that all materials cited in this paper which are not my own have been fully acknowledged.

Signature 

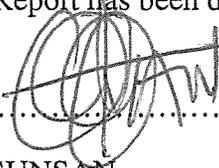
Date 11/11/2010

WANDERA BONVENTURE

BIB/16350/72/DF.

Approval

This Research Report has been done under my guidance and supervision as a University Supervisor.

Signature 

Date 11/12/2010

OLUTAYO OSUNSAN

SUPERVISOR

Dedication

This book is dedicated with lots of love and appreciation to my parents ,brothers and sister and all those who have contributed, without you all, I would not have made it.

Acknowledgement

My studies at Kampala International University could not have been successful without the support of the Almighty God for He is the provider of everything in life.

I feel indebted to my supervisor, Mr. Olutayo Osunsan whose guidance cooperation contributed immensely to the successful completion of this work. His keen supervision and editorial experience can be seen through this work. Thank you sir.

My sincere gratitude goes to the employees of Kenya Ports Authority for their cooperation and for providing me with the data that I needed to compile this project, may God bless you all.

My dear family, friends Edith Onkoba, Mrs. Rahma Aga , Benjamin Ondieki, Byamungu John and Antony Kimani for being understanding, unselfish and above all for giving me a shoulder to lean on at all times.

Abstract

This study was an attempt to find out the effect of strategy on organizational change at Kenya Ports Authority, which is found in Mombasa district in Kenya. The study was carried out in the entire Kenya ports Authority eight departments that is Security, Terminal Engineering, Terminal Operations, Inland Container Depot Services, Convectional Cargo, Marines, Employee Relations and Medical services. It was aimed at deterring specifically the effect of market (economic) forces, technological forces, social and political forces, behavioral forces and process forces on organizational change in Kenya Ports Authority. The data were collected by the use of a questionnaire and the results obtained were statistically analyzed by the use of tables, pie charts and graphs.

The research findings were that in order to achieve its goals, Kenya Ports Authority had to apply for the for the ISO certification so that to help in marketing strategies. It acquired some technological equipment like a heavy lift gang, Remote controlled 128 tyre trailer, 24/7 working schedule, the port Community Based System which would make the port an E-Port and. In remembrance of the Mtongwe Ferry Victims of 2005, it always contributes necessities to orphanage children homes and compensations to the victims as their social responsibility. The government focuses on expansion to build the Lamu Port which will increase its efficiency in operation being able to serve the countries of Ethiopia and Southern Sudan. Kenya Ports Authority has a college ,The Bandari College that is focused on training of its employees to equip them with current changes in the market environment ,staff receive long service awards to keep them motivated for maximum performance .In addition the management supports Welfare clubs of its employees, holds sport events annually for the employees like football and golf tournaments to build strong employee loyalty to the organization. For the purpose of process change the Bandari College instills their employees with the proper knowledge of what they are expected to do at work and also there is proper communication through the employee relations department on matters pertaining employees and there work and Kilindini Water Front Operating System (KWATOS) for port communication system (process change).

The emphasis of the recommendation centered mainly on the consideration of the nature of the organization, and its employees (individuals and groups) before formulation and implementation of strategy.

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CHAPTER ONE

1.0. Introduction.

This chapter consisted of the background of the study, statement of the problem, purpose of the study, the objective of the study, the research questions, and the scope of the study and the significance of the study.

1.1 Background Of The Study

The strategic view holds that a group of persons in the organization the “strategists,” top managers”, “key influential “ or “dominant coalition” has strong influence over the real objective alignment .Because degree of alignment causes growth or decline and because managers influence alignment ,the behavior of the strategic group is therefore a central cause of organization evolution. According to Greenberg and Baron (1997) stated, “Business analysts claim that we are currently experiencing another industrial revolution –one driven by a wave of economic and technological forces”. As one observer put it, that this workplace revolution ...may be remembered as a historic event, the western equivalent of the collapse of communism. Not surprising, a great deal of organizational change is occurring –that is planned or unplanned transformations in an organization’s structure, technology and/or people basing on the kind of strategy to be implemented.

Also according to Kast and Rosenzweig (1979), stated,“ a potential problem in organization improvement endeavors is a perceived notion about what kinds of changes are necessary and desirable “Managers, internal change agents and consultants sometimes become enamored with particular change strategies or specific techniques. Certain approaches are imposed regardless of the organizational situation.” For example, Organization Development (OD) practitioners with humanistic leanings may steer change towards making the system more adaptive –organic. However, this approach may not be appropriate for stable –mechanistic bureaucracies, in which better results might be obtained by concentrating on more realistic changes that reorganize inherent constraints. Once a strategy has been formulated, it must be effectively implemented for desirable results to materialize .Consequently, strategy implementation is as important as strategy formulation. Formulating strategies to coordinate initiatives and investments requires an

expensive imagination ,a capacity for creative synthesis and a capacity for abstracting general principles from specific situations .Thus , the implementation of strategies requires constancy ,the capacity to inspire and intimidate others and the willingness and ability to learn new managerial skills.

According to Kinicki and Kreitner (2003), Systems model of change takes a “big picture “ perspective of organizational change .It is based on the notion that any change ,no matter how large or small has a cascading effect throughout an organization .Today’s solutions are tomorrow’s problem .A systems model of change offers managers a framework to understand the broad complexities of organizational change .The systems model describes the organization as six interacting variables that could serve as the focus of planned change : people , culture ,task, technology, design and strategy. According to Black, Hitt and Porter (2005) ,James O.Mckinsey of the Mckinsey Consulting firm ,came up with a theory Seven S’s after they discovered that the reason clients were doing worse when they implemented the new strategies was because the strategies were being implemented within old structures, shared values ,systems ,skills, styles, and staff. These old aspects of the organization were inconsistent with the new strategies .Like one scholar put it that you cannot teach an old dog news tricks. That is the Seven S Mckinesy framework asserts that while each S is important, it is the congruence and fit among them that is critical. According to Greenberg and Baron (1997), organization change is “the planned or unplanned transformations in an organization’s structure, technology and /or people .While Robbins and Decenzo (2001) defined change as “an alteration of the organization’s environment, structure, technology or people.” In this study organizational change refers to the planned or unplanned transformations in an organization. According to Hitt, Hoskisson and Ireland (2003), strategy is “an integration and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage.” Also, Thompson, Jr,Gamble and Strickland,(2004) also defined strategy as “the game plan management is using to stake out a market position, attract and please customers, compete successfully, conduct operations and achieve organizational objectives”. Therefore, in this study, strategy refers to “a plan or something equivalent – a direction ,a guide ,a course of action ,a pattern that is consistency in behavior overtime , a perspective , an organization’s fundamental way of doing things and a ploy ,a specific

maneuver intended to outwit an opponent or a competitor. Thus, Ross and Kami said, "Without a strategy the organization is like a ship without a rudder."

In 1967, the East African community (Kenya, Uganda and Tanzania) formed the East African harbor corporation, to run the principal ports of Dar-es-salaam, Mombasa and the oil port of Tanga. These were positive development under this new organization, but with the collapse of the EAC in 1977, the running of Kenya's ports was taken over by the National government, which established the Kenya Ports Authority (KPA) in 1978. KPA was enlarged in 1986 when it merged with the autonomous state organization Kenya Cargo Handling Ltd to form a single body responsible for all aspects of national port development and operation.

This study is focused on the port of Mombasa rather than other ports along the coastline of Kenya because it is the only port which is fully developed with modern equipments hence making it the principal port for the study.

1.2. Statement Of The Problem

Organizational fit strategy is the creation of Galbraith and Nathanson (1978). It is an amalgam of Chandler's concept of strategy/ structure fit and those extensions of contingency theory that go beyond environment and structure to other aspects of the organizations (Miner, 1982). According to Bateman and Zeithamal (1990), stated that organizations must change to survive. Pressures for change come from many sources. Inside the organization, managers and employees at all levels push for change. In the organization's external environment, legal, competitive, technological and economic changes create performance gaps and opportunities that cause organizations to change.

There had been massive increase in international trade leading to insufficient staffing, delays in cargo clearing, and the lack of automotive systems. Therefore, there was need for discovering the best fit between the strategies formulated and the changes that KPA should undergo to meet its goals. For example, over the years due to increased international trade there is need for strategic changes to accommodate the expansionist and automotive programs at KPA.

1.3. Purpose of the study

The study was aimed at assessing the effect of strategies on change in Kenya Ports Authority (KPA).

1.4. Objectives of the study

1. To determine the effect of market (economic) forces on organizational change in KPA.
2. To assess the impact of technological forces on organizational change in KPA.
3. To examine how social and political forces influence organizational change in KPA.
4. To determine the effect of behavioral forces on organizational change in KPA.
5. To assess the impact of process forces on organizational change in KPA.

1.5. Research questions

1. What was the effect of market (economic) forces on organizational change in KPA?
2. How did technological forces influence organizational change in KPA?
3. How did social and political forces influence organizational change in KPA?
4. What was the effect of behavioral forces on organizational change in KPA?
5. How did process forces affect organizational change in KPA?

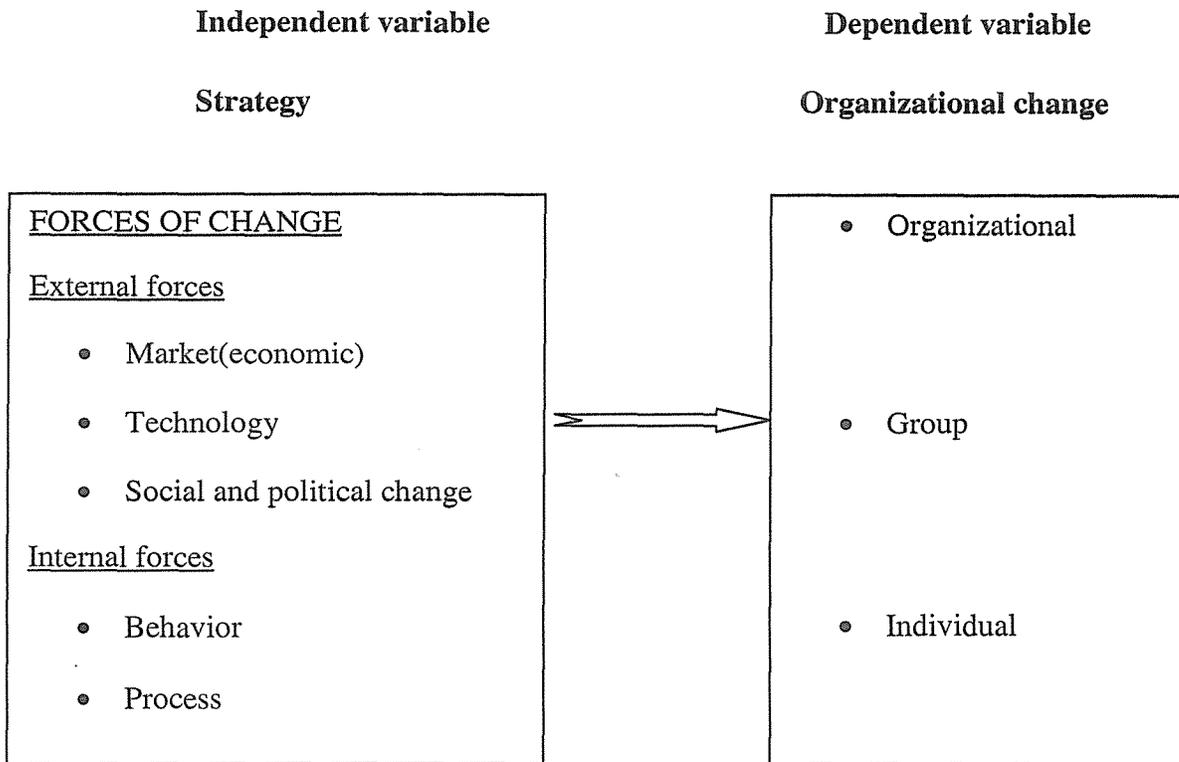
1.6. Scope of the study

The research was focused on the port of Mombasa located along the Kenyan coastline in the Town of Mombasa Island and the study was to cover the impact of strategies on the changes that the organization, groups and individuals in KPA undergo to meet their goals and objectives.

1.7. Significance of the study

The study would give an insight into the management of change in organizations basing on the kinds of strategies they wanted to implement that is realizing the need to find the best fit between the strategy and the organizational changes to facilitate the effective implementation of the strategies. The study would help researchers who want to continue with this research for more research in the areas that the research has not covered to find more about the effects of strategy on organizational change. The study would benefit scholars and academicians with particular interest in changes and strategy implementation as well as acting as secondary data for future researchers who would recognize this work as material to their study.

1.8. Conceptual framework



The conceptual framework for this research was extracted from the model for the management of organizational Development by Ivancevich and Matteson (1999). This among other things included the assumption that the strategy of an organization was influenced by both external and internal forces. External forces included market (economic), technological, social and political change and internal forces included behavior and process change. Strategy in itself induced change which could be at three levels within the organization (organizational level, group level and individual level).

1.9 Limitations of the study

The researcher is bound to face the following limitations in the process of this research:

- a. Kenya Ports Authority s information and business strategy sources are a very sensitive issue in most organizations. Some of the respondents might be unwilling to answer the questionnaires thus leading to the delay in data collection.
- b. There was the problem of information access by the researcher. The management of the Kenya Ports Authority - invoke confidentiality and internal use only clauses and regulations
- c. Respondents did act in time due to unfavorable timing, especially during times they are busy with the office work thus this might lead to delay of data.
- d. The fact that the questionnaire was self made is a limitation in that it might not be as accurate, hence limiting the validity of my results.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction.

In this chapter, the researcher reviewed literature related to strategy and organizational change. The review was conceptualized under the objectives of the study and focuses mainly on External forces, that is, market (economic), technological, social and political, and internal forces, that is, behavioral and process forces and their relation to organizational change which included the organization itself, individuals and groups.

2.1. Strategy and organizational change.

Managing the implementation and execution of strategy was an operation-oriented, make-things-happen activity aimed at shaping the performance of core business activities in a strategy-supportive manner. It was easily the most demanding and time-consuming part of the strategy management process. Converting strategic plans into actions and result tested a manager's ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create a strategy-supportive work climate and meet or beat performance targets. Initiatives have to be launched and managed on many organizational fronts. (Thompson, Gamble and Strickland, 2004).

Therefore, a company's strategy was "the game plan management is using to stake out a market position, attract, and please customers, compete successfully, conduct operations and achieve organizational goals." Strategy was "an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage (Hitt, Ireland and Hoskisson, 2003). Strategy was defined by Drucker (1961) as "the pattern of major objectives, purposes or goals and essential policies or plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and in the kind of company it is or is to be." Strategy was "the process by which top executives seek to cope with the constraints and opportunities that an organization environment poses. Strategy had been defined by Johnson and Scholes

(1993) as “the direction and scope of an organization over the longer term, which ideally matches its resources to its changing environment and in particular to its markets, customers and clients to meet stakeholder expectations.” Also Mintzberg et al (1988) suggest that strategy could be “a plan or something equivalent –a direction ,a guide ,a course of action ,a pattern ,that is ,consistency in behavior overtime , a perspective , an organization’s fundamental way of doing things and a ploy ,a specific maneuver intended to outwit an opponent or a competitor” .Finally, strategy was also “a description of a future –oriented action that is always directed towards change”(Tyson, 1997).

Hence, In this study strategy meant, “a plan or something equivalent –a direction ,a guide ,a course of action ,a pattern ,that is ,consistency in behavior overtime , a perspective , an organization’s fundamental way of doing things and a ploy ,a specific maneuver intended to outwit an opponent or a competitor.

Management was often called a “change agent” as its role is to initiate the change and help make it work successfully. Employee’s support is most essential in implementing the change. Change is typically viewed as Kurt Lewin model of change that is, the required three steps that are unfreezing, changing and refreezing. Unfreezing meant that old ideas and practices need to be cast aside so that new ones can be learnt .Change was the step in which the new ideas and practices are learnt so that an employee can think and perform in new ways. Refreezing meant that what had been learnt is integrated into actual practice (Rao, 2008).

According to Greenberg and Baron, (1997) organizational change was “the planned or unplanned transformations in an organizations structure, technology or people” .Change was defined as “an alteration of the organizations environment, structure, technology or people. Also organizational change implies the creation of imbalances in the existences pattern or situation (Rao, 2008).

Thus, in this study organizational change meant, “The planned or unplanned transformations in an organizations structure, technology or people”

2.2. Market (economic) forces and organizational change.

According to Ferrell and Pride (2003), economic forces were forces of economic differences among nations which included differences in the standards of living, credit, buying power, income distribution, national resources, exchange rates and the like which dictate many of the adjustments that must be made in marketing. The emergence of a global economy was forcing companies to change the way they do business (Kinicki and Kreitner, 2003). Managers of businesses firms historically had been concerned with reacting to changes in the marketplace when competitors introduced new products, increased advertising, reduced prices or improved customer service. In each case, a response was required unless the manager was contented to permit the erosion of profits and market share. At the same time, changes occurred in customer tastes and incomes. The firm's products might no longer have customer appeal; customers might be able to purchase less expensive, higher-quality forms of the same product (Ivancevich and Matteson, 1999).

Changes in the economic conditions led to organizational change. Fortunately, changes could be for better as well as for worse. As organizations faced greater competition, the global economy meant that competitors were as likely to come from across the ocean as from across town. Heightened competition made it necessary for established organizations to defend themselves against traditional competitors who developed new products and services as well as small, entrepreneurial firms with innovative offerings. Successful organizations would be the ones that could change in response to the competition (Robbins and Langton, 2003).

2.3. Technological forces and organizational change.

According to Donnelly, Gibson, and Ivancevich, (1995), Technology was "the scientific knowledge used in practical ways in industry, for example designing new machines." Technology was also "the application of science especially in industry and commerce." In this study technology would mean "the scientific knowledge used in practical ways in industry, for example designing new machines." The knowledge explosion had introduced new technology for nearly every business function. Computers had made

possible high speed data processing and the solution of complex production problems. New machines and new processes had revolutionized how many products were manufactured and distributed. Computer technology and automation had affected not only the technical conditions of work but the social conditions as well. New occupations had been created and others had been eliminated. Technology advances was a permanent fixture in the business world and as a force of change it would continue to demand attention (Ivancevich and Matteson, 1999). Both manufacturing and service organizations were increasingly using technology as a means to improve productivity and market competitiveness. Development and use of information technologies was probably one of the biggest forces for change (Kinicki and Kreitner, 2003). As some scholars observed that technology was a key determinant of structure, they tentatively concluded that firms with simple and stable technology should adopt a structure that tended to move towards classical organization, whereas firms with complex and dynamic technology ought to move towards the more open and flexible neoclassical structure. Thus, it would appear that the adoption of new technology involved a concurrent decision to adopt the organizational structure to that technology.

According to Kast and Rosenzweig (1979), Organizations ought to be willing to use technology to change their systems rather than just be content to mechanize old ways of doing business; leaving existing processes intact and simply utilizing technology to speed up these processes failed to address fundamental performance deficiencies. Technology could make a business more efficient and profitable. As more cost-saving and productive technologies became available and as competitors adopted these new techniques, a company might be forced to adopt them just to keep up product technology which was changing at an incredible rate. Technology changed so rapidly that even a company with a revolutionary new product could not keep it for long. As soon as the product hit the market, someone copied it. The technical system was an obvious source of organizational change. New methods for processing materials and/or information had provided dramatic examples. Mechanization, automation and computerization had had a widespread influence in organizations. Such changes had had considerable impact on other subsystems –structure, and psychosocial, for example, within organizations.

2.4. Social and political forces and organizational change

Social forces are forces that influence the people's behavior, since for an organization to survive, the product ought to be wanted, and thus consumer behavior is considered as a separate environmental behavior. Social forces included traditions, values, societal trends, consumer psychology and a society's expectations of business,(<http://www.BusinessBalls.com> ,November 27, 2009). Business managers ought to be tuned into the great movement over which they have no control but which, in time, influence their firm's fate. Sophisticated mass communications and international markets created great potential for businesses, but they were also great threats to managers who could not understand what went on. The relationship between government and business became much closer as regulations were imposed and relaxed (Ivancevich and Matteson, 1999). Political change was concerned with power status within and outside an organization, rather than with matters of principle. These included regulations, taxations, expenditure, takeover (creating a crown corporation, and privatization). One of the most commonly witnessed unplanned organizational changes resulted from government regulations .Government regulations were often imposed on organizations following some crisis of public health and safety. Business activities of some organizations were dangerous to the general environment to the extent that the government imposed regulations on the organizations. These forced those firms to change to accommodate the new rules and regulations put across. Thus, organizations often agreed to regulate themselves in response to governmental pressure to change (Greenberg and Baron, 1997).

2.5. Behavioral forces and organizational change.

Organizational behavior was the study of human behavior ,attitudes and performance within an organizational setting ;drawing on theory ,methods and principles from such disciplines as psychology, sociology and cultural anthropology to learn about individual perceptions, values, learning capacities and actions while working in groups and external environments effects on the organization and its human resources ,missions, objectives and strategies (Donnelly, Gibson, and Ivancevich, 1995) .Also organizational behavior was the study of human behavior in organizational setting ,the interface between human behavior the organizational context and the organization itself.(Moorhead and

Griffin,1989).Organizations could also help individuals and groups within to work more directly together .This category typically involved changing the attitudes and behaviors of organizational members through the process of communication ,decision – making and problem solving. The impetus to change in organizations often came from the psychosocial systems .Success in achieving organizational goals depended to a great extent on human factors-the degree to which latent human capability was tapped could often make the difference in whether or not organizational endeavors were accomplished . Therefore, changes in the morale and motivation of individuals and/or groups could have a significant impact on group dynamics which could enhance organizational performance or detract from it. Management’s ability to lead and influence behavior was also a critical factor .The role of the psychosocial system was crucial in its relationship to the implementing change stemming from other sources if the change required adaptation on the part of individuals or work groups ,such factors ought to be considered in the overall analysis (Kast and Rosenzweig,1979).

Bringing about change in individuals in the workplace was typically aimed at altering the knowledge, skills, perceptions and behaviors needed to do the jobs. Changing individuals generally relied on training and development activities ,supplement by performance appraisal and reward systems that reinforced the needed behaviors .(Bartol and Martin,1998). Managers should implement on-the-job training to improve the performance of operative tasks, management development training to improve the performance of managers and early retirement programs were ways to create such changes. Low levels of morale and high levels of absenteeism and turnover were symptoms of behavioral problems that ought to be diagnosed .When a certain level of employees discontent existed in most organizations, its was dangerous to ignore employee complaints and suggestions .In many organizations the need for change went unrecognized until some major catastrophe occurred. The employees strike or seek the recognition of a union before the management finally recognized the need for action .Whether it took a whisper a shout ,the need for change ought to be recognized by some means and once that need had been recognized ,the exact nature of the problem ought to be diagnosed .If the problem is not properly understood ,the impact of change on

people's behavior in the organization could be extremely negative and led to the failure to achieve the stated goals of the organization (Ivancevich and Matteson,1999).

2.6. Process forces and organizational change.

Process forces were forces that affect the different activities or work within the organization that had to be accomplished to create outputs that internal or external customer's value (Rao, 2008). Companies always introduced new changes constantly ,many people complained about their companies "flavor-of-the -mouth" approaches to change .That was ,employees often saw many change efforts as just the company's jumping on the board the latest bandwagon or fad. The more these changes fads came and went, the more cynical people became and the more difficult it was to get them committed to making the change a success. Management needed to "connect the dots"- that is integrate the various efforts into a coherent picture that people could see ,understand and get behind. They connected the dots by understanding each change program and what its goals were ,by identifying similarities among the programs and identifying their differences and by dropping programs that did not meet priority goals with clear results orientation .Most important ,the management ,do it by communicating to everyone concerned the common themes among the various programs :their common rationales ,objectives and methods .Management should show them how the various parts fitted the strategic big picture and how the changes would make things better for the company and its people .Management should communicate these changes thoroughly ,honestly and frequently (Bateman and Snell,2002).

Various processes involved in implementation should be communicated in advance .Different stages of the process included initiation, motivation, diagnosis, information collection, deliberate, action proposal, implementation and stabilization. Attention should be paid to the process of collaboration, increasing the capability of the organization to face the problems of change, establishing the norms and values (Rao, 2008). The problems included breakdowns in decision -making and communications. Decisions were not made, are made too late, or were of poor quality. Communications were short-circuited , redundant or simply inadequate .Tasks were not undertaken or were not

completed because the person responsible did not get the word .Because of inadequate or nonexistence communications, a customer order was not filled and the supplier was not paid. Interpersonal and interdepartmental conflicts reflected breakdowns in organizational processes(Ivancevich and Matteson,1999).Thus, during the formulation and implementation of strategy ,the management should consider the nature of organizational change to be incorporated .There should be a best fit between the strategy formulated and the organization's setting in order for any strategy to be successful in an organization. According to Bernard Reimann, the greatest strategy was doomed if it's implemented badly.”

2.7 Review/conclusion

This chapter focuses on the forces that make the organization and its employees to change in order to accommodate the strategy that is set. the following chapter is to highlight on how the research is to be conducted that is, the population and the sample size to be used to collect the data in order to achieve the research questions and what different scholars said about the effect of strategy on organizational change.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter consisted of research design, study population, sampling design, research instruments and analysis of data.

3.1. Research Design

In Consistence with the research objectives and research questions, the researcher considered Kenya Ports Authority (KPA) as one of the largest ports in the world. A cross-section design would be used in the case study to select respondent from whom primary data would be collected through questionnaires and secondary data sources (Kenya Ports Authority annual journals) as research instrument would be used to collect data of the study.

3.2 The Study Population

Since Kenya Ports Authority was the largest and most developed port on the Kenyan coast line which was fully equipped, the study would be conducted only in Mombasa Port area out of other branches countrywide namely: -Embakasi in Nairobi, and Kisumu.

3.3 Sampling Design and size

3.3.1 Sampling Design

In order to ensure representatives of the samples from study population, sampling would be grouped according to different departments. Random sampling technique would be used in picking the employees on which the data would be collected. Thus, respondents would then be randomly selected from staff in Kenya Ports Authority. Thus, sampling design would be preferred to minimize bias in sampling process to achieve maximum precision which would give the research constraints of the study.

3.3.2 Sample Size

Kenya Ports Authority at Mombasa has a population of 1786 employees both permanent and temporary. Basing on purposive sampling and considering time and other constraints of the study, the researcher was concerned with the permanent employees since they were capable of providing the relevant information for the study. There were 820 permanent employees and using stratified sampling the researcher divided the population basing on strata being the eight departments that is, Security, Terminal engineering, Terminal operations, Inland Container Depot services, Conventional Cargo, Marines, Employee Relations and Medical services. The researcher used simple random sampling to select 10 respondents from each department. According to Bailey (1982) said “obviously the correct sample size is dependent upon the nature of the population and the purpose of the study”. The consideration of the representation of the study population was consistent with the research questions. The willingness of managers to give information and respondents positions in Kenya Ports Authority would be the major factors considered in selecting the respondents sample. The sampling methods above are according to Amin (2005).

3.4 Data Source, Collection and Analysis

3.4.1 Data Source

To achieve the research objective, both primary and secondary data would be used on the study. The main primary data source would be questionnaires administered to Kenya Ports Authority staffs. Secondary data sources would be obtained from monographs (Text book), annual reports Kenya Ports Authority, Kenya Ports Authority news letters and Kenya Ports Authority Director’s reports. Journal and other publications to provide a yardstick against responses from primary data gathered in order to deliver meaningful objective interpretation of the efficiency of the existing strategies and organizational changes in Kenya Ports Authority.

3.4.2 Data Collection Methods and Instruments

3.4.2.1 Questionnaire Method

Data would be collected by the use of structured questionnaires designed by the researcher. The questionnaires would be sent to the department heads, staff and other subordinate staff. This technique will be used because all the respondents were literate. The major advantage of this method included; free of biased information and enough time for the respondent to consider his/her points carefully than in an interview.

3.4.3 Data processing and Analysis.

Data collected would be edited and analyzed using percentages, tables and graphs and simple statistical modules like the frequency distribution to assess the effects of strategy on organizational change in Kenya Ports Authority. Quantitative data analysis would be performed in relation to research question in chapter one.

Statistical findings would be interpreted in light of the objectives of study and conclusion would be made based on the literature review to attach more meaning.

CHAPTER FOUR.

DATA ANALYSIS, INTERPRATATION AND PRESENTATION

4.0 Introduction

This chapter is about presentation of findings, interpretation and analysis of data collected from employees of Kenya Ports Authority in Mombasa. The analysis and interpretation follows tabular presentation at some stages. The first section basically deals with the background of the respondents which includes their education/literacy levels, status in society and age. The data will then be analyzed on the basis of the research objectives in the subsequent section.

4.1 Characteristics of respondents

4.1.1 Respondents Designations

In this study the researcher sought to understand who the respondents were by designation. The table 4.1 below presents this information and the figure 1 presents a diagrammatic presentation of the same. In the category of others, it included people working as subordinate staff in the eight departments of Kenya Ports Authority.

Table 4.1. Classification of the respondents by designation.

Designation	Frequency	Response Rate
Staff members	34	42.5%
Department managers	27	33.75%
Others(subordinate staff)	19	23.75%
Total	80	100%

From the above analysis, it is easily deduced that the highest number of respondents were the staff members constituting of 42.5% of the total respondents and department managers were 33.75%. Others had 23.75% which included subordinate staff working with Kenya Ports Authority and had relevant information pertaining the study.

4.1.2 Respondents by Sex, Age and education level.

The researcher sought to analyze the respondents using the above categories

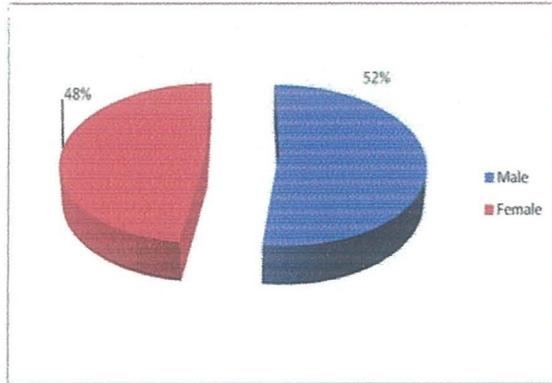


Figure 4.1: Classification of the Respondents by sex categories.

Table 4.2. Classification of the Respondents by Age groups

Age Groups	Frequency	Response Rate
21-30 years	32	40%
31-40 years	24	30%
41-50 years	14	17.5%
Over 50 years	10	12.5%
Total	80	100%

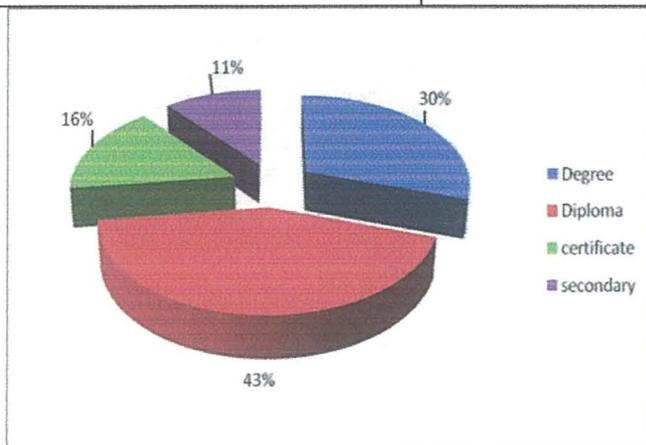


Figure 4.2: Classification of the Respondents by Education level

Findings showed that 52% of the total respondents were male while 48% were female from the eight departments of Kenya Ports Authority. It was also clearly noted that most of the respondents were aged between 21-30 years with a response rate of 40% and it was regretted to note that only 30% of graduates were selected at random for the study as compared to the diplomas that had 43% of respondents to the study.

4.1.3 Length of service

The researcher was also interested to find out how much time the respondents have spent working with Kenya Ports Authority so as to effectively interpret their views in relation to the implementation of strategy at Kenya Ports Authority.

Table 4.3. Classification of the Respondents' length of service

Period of service	Frequency	Response Rate
Less than 2 years	21	26.25%
2-5 years	32	40%
5-8 years	18	22.5%
Over 8 years	9	11.25%
Total	80	100%

From the above illustration, it is evident that the largest proportions of the respondents were age period between 2- 5 years which is 40 %. This therefore proves that their views are largely based on past personal experiences with Kenya Ports Authority over the period of less than 2 years which has 26.25 % respondents thus this shows that the

respondents of 40 % have a fairly sound knowledge on the operations of Kenya Ports Authority.

4.2. Market (economic) forces.

This is the first element that affects the operation of Kenya Ports Authority. This determines the nature and type of strategies that Kenya Ports Authority should formulate. Some of the issues are the buying power of customers, the income distribution of customers and the exchange rate fluctuations. The tables below present the information and their diagrammatic presentation in order to clearly portray the response from the eight departments of Kenya Ports Authority.

Table 4.4: The buying power of customers affects Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	38	47.5%
Agree	35	43.75%
Neutral	4	5%
Disagree	3	3.75%
Strongly Disagree	0	0%
Total	80	100%

Findings showed that most of the respondents selected at random from the eight departments strongly agreed with 47.5% response that the buying power of customers of Kenya Ports Authority affects the strategies that Kenya Ports Authority should formulate and implement as compared to those who agreed 43.75% and no respondents strongly disagreed but there was 3.75% of response who disagreed with just 5% of respondents being neutral about the idea.

Table 4.5 The income distribution of customers influence operation of Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	44	55%
Agree	26	32.5%
Neutral	9	11.25%
Disagree	1	1.25%
Strongly Disagree	0	0%
Total	80	100%

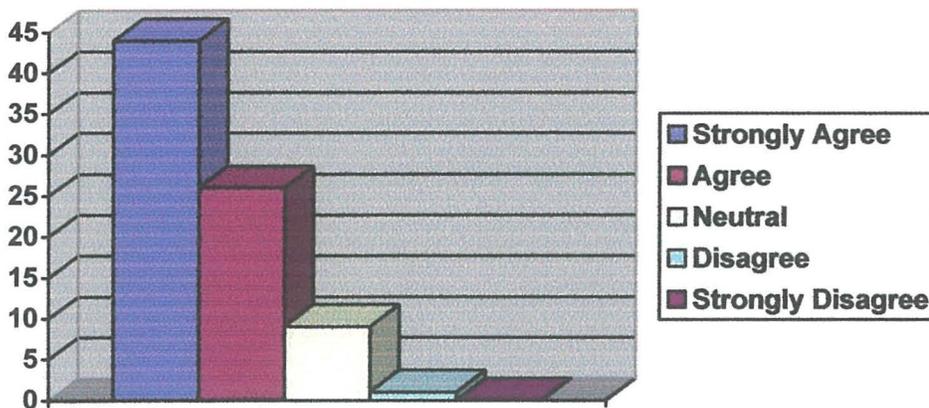


Figure 4.3: The income distribution of customers influence operation of Kenya Ports Authority

Findings deduced that most of the respondents which was 55% strongly agreed that the income distribution of Kenya Ports Authority’s customers influence the strategy implementation while only 32.5% agreed to the subject .11.25% of respondents selected at random were neutral with 1.25% disagreeing and no respondents strongly disagreed .

Table 4.6: the effect of exchange rate fluctuations on Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	34	42.5%
Agree	33	41.25%
Neutral	11	13.75%
Disagree	2	2.5%
Strongly Disagree	0	0%
Total	80	100%

Findings showed that 42.5 % of the respondents strongly agreed that exchange rate fluctuations affect the strategy implementation at Kenya Ports Authority while closely 41.25% agreed with 13.75% were neutral and only 2.5 % of respondents disagreed about the subject. There were no respondents who strongly disagreed.

4.3. Technological forces.

This is the second factor that affecting the formulation and implementation of strategy at Kenya Ports Authority. This involves the level of automation and the computer technology in Kenya Ports Authority. The tables and figures show the diagrammatic presentation of the respondents.

Table 4.7: Automation influences the implementation of strategy at Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	48	60%
Agree	24	30%
Neutral	6	7.5%
Disagree	2	2.5%
Strongly Disagree	0	0%
Total	80	100%

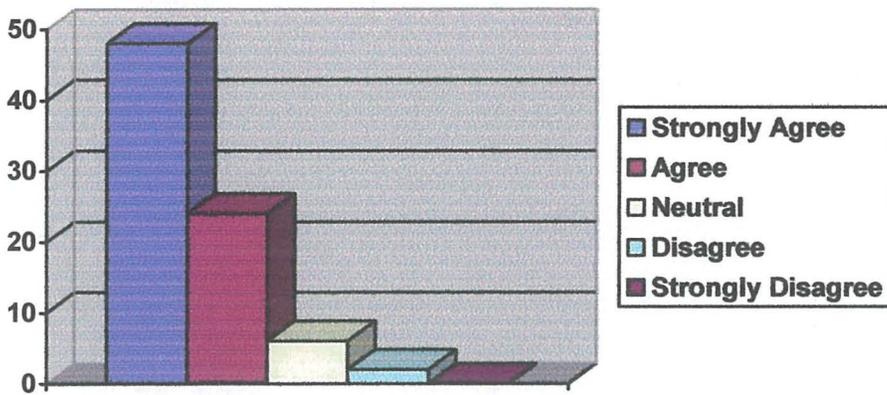


Figure 4.4: Automation influences the implementation of strategy at Kenya Ports Authority

Findings showed that most of the respondents selected at random from the eight departments strongly agreed with 60 % of response while 30% agreed that automation affects the implementation of strategy at Kenya Ports Authority.7.5% of respondents were neutral while only 2.5% of respondents disagreed with the subject and no respondents strongly disagreed.

Table 4.8: the effect of computer technology on Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	40	50%
Agree	29	36.25%
Neutral	8	10%
Disagree	2	2.5%
Strongly Disagree	1	1.25%
Total	80	100%

Findings showed that 50% of respondents strongly agreed that computer technology affects the formulation of strategy at Kenya Ports Authority while only 36.25% agreed with 10% of the respondents being neutral as 2.5% disagreed about the subject and 1.25% strongly disagreeing.

4.4. Social and political forces.

These are the third factors that affect the formulation and implementation of strategy at Kenya Ports Authority. These included the societal trends, the beliefs of people living around Kenya Ports Authority the society's expectations, taxation law and the government expenditure. The tables and figures below show their diagrammatic presentations.

Table 4.9: societal trends affect Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	27	33.75%
Agree	29	36.25%
Neutral	9	11.25%
Disagree	11	13.75%
Strongly Disagree	4	5%
Total	80	100%

The findings showed that only 33.75% strongly agreed while 36.25% agreed that societal trends affect the strategy implementation at Kenya Ports Authority. 11.25% were neutral and 13.75% disagreed that societal trends do not affect the implementation of strategy with 5% strongly disagreeing.

Table 4.10: the influence of the beliefs of people living around Kenya Ports Authority on its operation.

Response	Frequency	Response Rate
Strongly Agree	24	30%
Agree	21	26.25%
Neutral	16	20%
Disagree	15	18.75%
Strongly disagree	4	5%
Total	80	100%

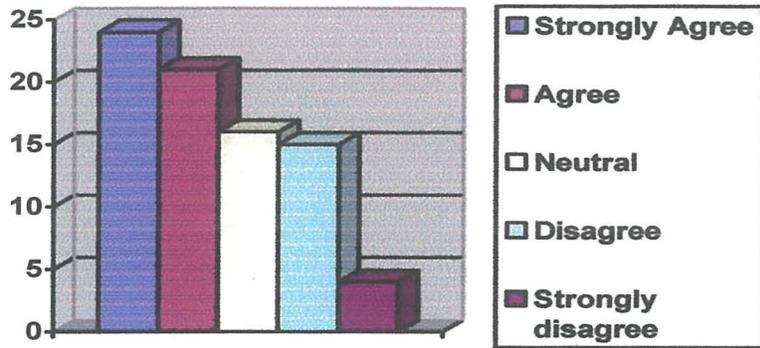


Figure4.5: The influence of the beliefs of people living around Kenya Ports Authority on its operation.

Findings showed that only 30% strongly agreed and 26.25% agreed that the beliefs of people living around Kenya Ports Authority affect the strategy implementation. 20% were neutral while 18.75% disagreed with 5% strongly disagreeing to the subject matter.

Table 4.11: the effect of society's expectations on operation of Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	22	27.5%
Agree	21	26.25%
Neutral	20	25%
Disagree	12	15%
Strongly disagree	5	6.25%
Total	80	100%

Findings deduced that most of the respondents which was 27.5% strongly agreed that the society's expectations affect the operation of Kenya Ports Authority while only 26.25% agreed to the subject 25% of respondents selected at random were neutral with 15% disagreeing and 6.25% of respondents strongly disagreed to subject matter.

Table 4.12: the effect of government expenditure on operation of Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	32	40%
Agree	32	40%
Neutral	11	13.75%
Disagree	3	3.75%
Strongly Disagree	2	2.5%
Total	80	100

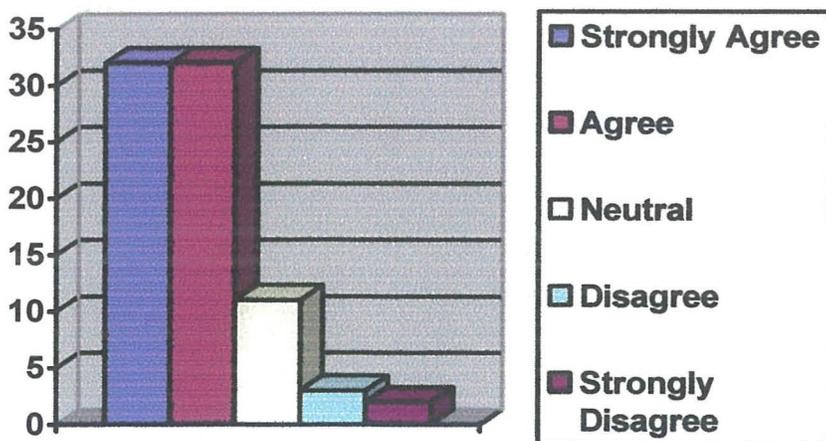


Figure 4.6: the effect of government expenditure on operation of Kenya Ports Authority

Findings showed that 40% of respondents strongly agreed and also 40% agreed that government expenditure affects the operation of Kenya Ports Authority. 13.75% were neutral while 3.75% disagreed to the subject with only 2.5% strongly disagreeing.

Table 4.13: the influence of taxation law on Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	20	25%
Agree	26	32.5%
Neutral	18	22.5%
Disagree	10	12.5%
Strongly Disagree	6	7.5%
Total	80	100%

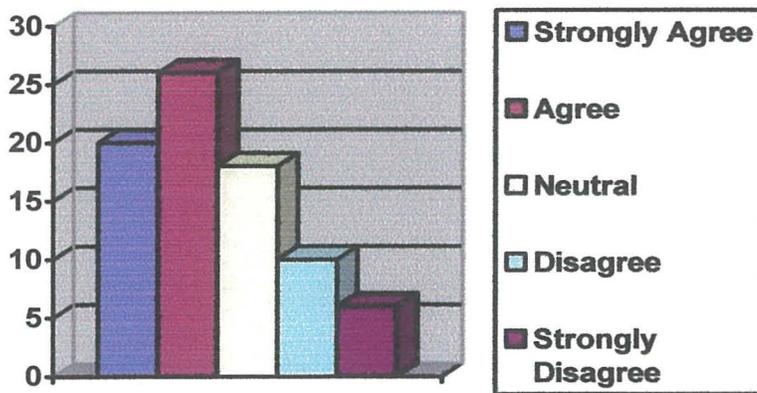


Figure 4.7: the influence of taxation law on Kenya Ports Authority

Findings deduce that most of the respondents 32.5 agreed while 25% strongly agreed that taxation law affects the strategies at Kenya Ports Authority. 22.5% were neutral and 12.5% disagreed while only 7.5% strongly disagreed to the subject.

4.5. Behavioral forces

This is the fourth factor that influences the formulation and implementation of strategy at Kenya Ports Authority. it includes , the attitude of employees ,the perception of employees , the organizational culture of the employees and the learning capabilities of employees. The tables and figures below show the response from the eight departments of Kenya Ports Authority.

Table 4.14: the effect of the attitudes of employees on Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	35	43.75%
Agree	37	46.25%
Neutral	6	7.5%
Disagree	2	2.5%
Strongly disagree	0	0%
Total	80	100%

Findings showed that 43.75% strongly agree while 46.25% agreed that the attitude of employees affect the implementation of strategy at Kenya Ports Authority.7.5% were neutral while only 2.5% disagreed with no respondents strongly disagreeing.

Table 4.15: The perceptions of employees affect the operation of. Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	39	48.75%
Agree	31	38.75%
Neutral	7	8.75
Disagree	2	2.55
Strongly Disagree	1	1.25%
Total	80	100%

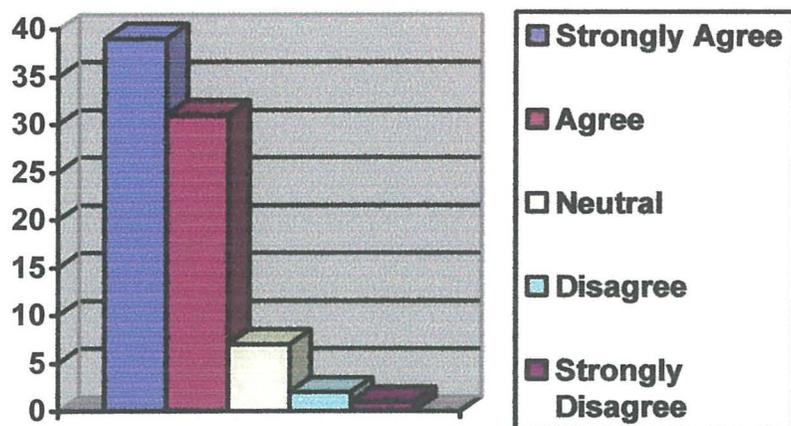


Figure 4.8: The perceptions of employees affect the operation of. Kenya Ports Authority

Findings deduced that 48.75% strongly agreed and 38.75% agreed that the perception of employees affects the operation of Kenya Ports Authority. 8.75% were neutral while 2.5% disagreed with only 1.25% disagreeing to the subject.

Table 4.16: The influence of organizational culture on strategy implementation at Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	36	45%
agree	32	40%
Neutral	9	11.25%
Disagree	3	3.75%
Strongly Disagree	0	0%
Total	80	100%

Findings deduced that 45% strongly agreed and 40% agreed that the organizational culture affects the operation of Kenya Ports Authority. 11.25% were neutral while 3.75% disagreed with no respondents disagreeing to the subject.

Table 4.17: The effect of learning capabilities of employees on strategy implementation at Kenya Ports Authority

Response	Frequency	Response Rate
Strongly Agree	43	53.75%
Agree	30	37.5%
Neutral	2	2.5%
Disagree	4	5%
Strongly Disagree	1	1.25%
Total	80	100%

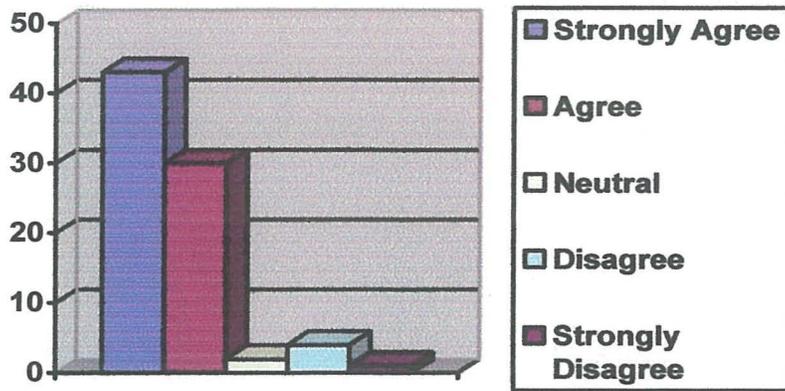


Figure 4.9: The effect of learning capabilities of employees on strategy implementation at Kenya Ports Authority

Findings showed that 53.75% strongly agree while 37.5% agreed that the learning capabilities of employees affect the implementation of strategy at Kenya Ports Authority. 2.5% were neutral while only 5% disagreed with 1.25% strongly disagreeing to the subject.

4.6. Process forces

This is the fifth factor that influences the strategy implementation at Kenya Ports Authority. It includes decision –making and communication. The table and figure below show their diagrammatic presentations.

Table 4.18: The effect of decision –making on strategy implementation at Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	32	40%
Agree	34	42.5%
Neutral	10	12.5%
Disagree	3	3.75%
Strongly Disagree	1	1.25%
Total	80	100%

Findings showed that 40% strongly agree while 42.5% agreed that decision –making affect the implementation of strategy at Kenya Ports Authority.12.5% were neutral while 3.75% disagreed with only 1.25% strongly disagreeing to the subject.

Table 4.19: The influence of the kind of communication on strategy at Kenya Ports Authority.

Response	Frequency	Response Rate
Strongly Agree	41	51.25%
Agree	31	38.75%
Neutral	6	7.5%
Disagree	2	2.5%
Strongly Disagree	0	0%
Total	80	100%

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.0 Introduction.

This chapter was endeavoured to make a summary, conclusion and perfect recommendation basing on the evident findings found through the research as it had been discussed on the previous chapter.

5.1 Market (economic) forces.

Based on findings, as the first objective of the study, market (economic) forces affect the strategies to be implemented at Kenya Ports Authority. Most of the respondents strongly agreed that the buying power of customers, the income distribution of customers and the exchange rate fluctuations affect the operation of Kenya Ports Authority. Of course, it has to formulate strategies based on the market forces to outdo its competitors like the port of Dar –es salaam and others along the coast of the Indian Ocean. The researcher's deductions matched Robbins and Langton (2003), who stated that as organizations face greater competition, the global economy means that competitors are as likely to come from across the ocean as from across the town. Heightened competition makes it necessary for established organizations to defend themselves against traditional competitors who developed new products and services as well as small entrepreneurial firms with innovative offering and successful organizations will be the ones that can change in response to the competition.

5.2 Technological forces

As the second objective of the study, Kenya Ports Authority is the link between Africa the overseas companies hence the need for technological advancement is crucial. The level of automation and computer technology affect the operation of Kenya Ports Authority in achieving its goals. Therefore, findings revealed that a great number of the respondents strongly agreed that technology is one of the greatest factors that affect the implementation of strategy at Kenya Ports Authority. The researcher's deductions matched Kinicki and Kreitner (2003), who stated that both manufacturing and service

organizations are increasing using technology as a means to improve productivity and market competitiveness. Development and use of information technology is probably one of the biggest forces for change. The researcher's deductions also matched Kast and Rosenzweig (1979), stated that organizations must be willing to use technology to change their systems rather than just be content to mechanized old ways of doing business; leaving existing processes intact and simply utilizing technology to speed up their processes fails to address fundamental performance deficiencies. Thus, technology makes an organization more efficient and profitable.

5.3 Social and political forces.

Kenya Ports Authority does not operate in isolation from the community; therefore, the societal and political forces as the third objective of the study, also affect its implementation strategy. The research findings showed that most of the employees or respondents at least agreed that the social and political forces play a great deal in strategy formulation and implementation. The researcher's deductions matched Ivancevich and Matteson (1999), who stated that business managers must be tuned into the great movement over which they have no control but which, in time, influence their firms fate. The researcher's deductions also matched Greenberg and Baron (1997) stated that business activities of some organizations are extent that the government imposes regulations on the organizations which forces firms to change to accommodate the new rules and regulations put across.

5.4 Behavioral forces.

This is the fourth objective of the study. Basing on findings, most of the respondents at least agreed that the attitude of employees, the perception of employees, the organizational culture and learning capabilities of employees greatly affect the strategy implementation process at Kenya Ports Authority. Employees as the vital assets of most organizations, their attitude, perception, organizational culture and their learning capabilities affect the strategic implementation process. This is in line with Donnelly, Gibson, and Ivancevich (1995) who stated that organizational behavior is the study of human behavior, attitudes and performance within an organizational

setting; drawing on the theory, methods and principles from such disciplines as psychology, sociology and cultural anthropology to learn about individual perceptions, values, learning capabilities and actions while working in groups and external environments effects on the organization and its human resources, missions, objectives and strategies. The researcher's deductions matched Kast and Rosenzweig (1979) who stated that management's ability to lead and influence behavior is also a critical factor. The role of psychosocial system is crucial in its relationship to the implementing change stemming from other sources if the change requires adaptation on the part of individuals or work groups. Thus, it was in line with Bartol and Martin (1998) who stated that changing individuals generally relies on training and development activities, supplemented by performance appraisal and reward systems that reinforces the needed behaviors.

5.5 Process forces.

These are forces that involve changes in procedures of doing things. Process forces as the fifth objective of the study, included decision-making and kind of communication. The research findings showed that most of the respondents at least agreed that these forces affect the strategy implementation at Kenya Ports authority. The researcher's deductions matched Bateman and Shell (2002) that stated that management should show the employees how the various parts fit the strategic big picture and how the change will make things better for the company and its people and management should communicate these changes thoroughly, honestly and frequently. Also matched Rao (2008) who said that attention should be paid to the process of collaboration, increasing the capability of the organization to face the problems of change, establishing the norms and values.

5.6 Conclusion

The study showed that the strategy to be formulated and implemented highly depends on the nature of the organizational change that is required. For the strategy to be successful, there should be flexibility in the organization itself and employees (individuals and groups). The organization itself means the structural layout of the

organization and the individual employees and groups in the organization who are responsible for the actual implementation of the strategy. Groups like teams or unions influence greatly the strategic implementation process, therefore, the perception, attitude or attention that these groups put to the strategy can determine whether the strategy will be successful or not. Thus, when formulating strategy, the managers should consider the ability of the organization itself to change to structurally accommodate the strategy and the response of the individuals and groups in the organization toward the strategy to be formulated and implemented.

5.7 Recommendation

Below are the recommendations drawn from the research:

1. Strategy formulation and implementation is a vital activity in any organization, therefore, before formulation of any strategy, the managers should consider how the organization is to change to accommodate the strategy.
2. Kenya Ports Authority should consider its social responsibility and government regulation in formulation of strategies so that there are no complains from the people living around it about its operations.
3. Kenya Ports Authority should consider acquiring new machines or even computerizing the whole systems to reduce delays in cargo clearing at the port.
4. As the basis of its operation Kenya Ports Authority should consider continuous training of its employees to enable them be equipped with the skills that facilitate the implementation of strategies so that the strategies fit well in the organization.

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APPENDIX A

BUDGET ESTIMATE

ITEM	Total cost(ugsh)
Stationeries including internet	10,000
Printing	20,000
Binding	30,000
Transport	10,000
Photocopy	25,000
Typing	10,000
Lunch	10,000
TOTAL	115,000

APPENDIX B

TIME FRAME

Time duration (2010)	Event
February	Write the proposal
March-April	Correction of the proposal
June	Submission of questionnaires
July -August	Compose data (data analysis)
September	Completion of the Dissertation
October	Presentation of the Dissertation

APPENDIX C
INSTRUMENT
QUESTIONNAIRE

Dear Sir/ Madam

I humbly ask you to participate in this research on the effects of strategy on organizational change, taking Kenya Ports Authority, Mombasa Port as the case in point. The study is purely for academic purposes, thus it will not be disclosed in any way for any other causes. It is a partial requirement for the award of Bachelors Degree in International Business Administration at Kampala International University to the researcher.

Instructions: please help by answering the following questions as honestly as possible. Please Tick where appropriate and explain where necessary

All the information availed to me is to be treated with maximum confidentiality

1. Current respondent's designation.

Staff member () Department manager () Others (specify).....

3. How long have you worked in Kenya Ports Authority (K.P.A)?

Less than 2 years () 2- 5 years () 5- 8 years () Over 8 years ()

4. Gender.

Male () Female ()

5. Age group?

21- 30 years () 31- 40 years () 41- 50 years () Over 50 years

6. Education background.

Secondary level () Certificate level () Diploma level ()

Degree level () Others ()

Market (economic) forces

7. The buying power of customers affects the strategies that Kenya Ports Authority (K.P.A) is implementing.

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

8. The income distribution of customers influence the operation of Kenya Ports Authority (K.P.A).

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

9. The exchange rate fluctuations affect the achievement of Kenya Ports Authority (K.P.A) goals.

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

Technological forces

10. Automation affects the organization of Kenya Ports Authority (K.P.A).

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

11. Computer technology influences the operation of Kenya Ports Authority (K.P.A).

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

Social forces

12. The Societal trends affect the operation of Kenya Ports Authority (K.P.A).

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()

13. The beliefs of people living around Kenya Ports Authority (K.P.A) affect its operation in Mombasa.

Strongly Agree () Agree () Neutral () Disagree () Strongly Disagree ()