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Organizational Leadership Styles and Change Management in Telecommunication Industry in Kenya: Case Study of Telkom Kenya

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Abstract

The purpose of the study was to examine the effect of organizational leadership styles on change management in the telecommunication industry with the specific reference to Telkom Kenya Ltd. The study was anchored on, Adaptive leadership theory, and Kurt Lewin change theory. The target population was 1450 employees of Telkom Kenya. Stratified proportional sampling was used to get a suitable sample of 145 respondents and the study adopted a descriptive research design. Questionnaires were the main data collection tool and they were pilot tested on 15 staff at Telkom Thika branch before being administered to the target audience. Analysis of data was done using Statistical Package for Social Sciences Version 24. Descriptive statistics, specifically, means, averages and percentages were used to analyse individual variables. Simple tabulations were used to presented descriptive statistics. This study also used inferential statistics to examine the relationship between the study variables. Data was analysed using quantitative methods through regression analysis and presentation of data was in form of tables and figures. The study established that organizational leadership styles have significant effect on change management. Specifically the findings indicate that organizational leadership style and change management are positively and significantly related ($r= 0.685$, $p<0.01$). This study concluded that organizational leadership styles play an important role in change management such that change in the leadership style results in positive variation in change management. The study recommended that, Telkom Kenya should treat leadership styles in the organization as one of the critical survival factors when implementing changes.

Key Words: *Organisational Leadership Styles, Change Management, Telecommunication Industry, Telkom Kenya.*

1.1 Introduction

Change management remains a key determinant of whether or not a company will survive and prosper in an ever-evolving economic ecosystem. The main goal of change management is to successfully implement new processes, products and business strategies while minimizing negative outcomes (Hameri & Hintsa, 2014). The change process itself has many different dynamics including spiritual aspects (such as focusing on core values or empowering the employees) critical for organizational learning and long term sustainability (Burnes & Jackson, 2011). Organizations too are complex; self-generating systems with many inter-relational dynamics and so, transformation cannot be wholly controlled and may lead to unpredicted outcomes.

According to Higgs and Rowland (2010) most organizations initiate change with a particular objective in mind. The goals of change management have a typical economic angle that includes cost reduction, improved organizational performance, and increased profits (Nel & Beudeker, 2015). According to Burnes and Jackson (2011) it's important to first evaluate why the organization is seeking change. Management of change process is the systematic approach and application of knowledge, resources and tools in order to deal with change management; that involves defining and adopting organizational strategies, technologies as well as procedure to handle changes in the external conditions and the operating business environment.

In the United States of American a study by Joshi and Jha (2017) examined if middle level managers have any preference on the implementation style when implementing strategic changes. Their analysis reflected that when middle level managers sense that the organization's survival is at stake, they are likely to choose an authoritative style. The study further established, among other things, that middle level managers focus their emotions when it comes to implementing strategic changes and that the role played by these managers is critical for organizational survival (Joshi & Jha, 2017). Kumar (2014) defined leadership as a process by which a person influences other(s) to accomplish an objective and directs the organization in such a way that makes it more coherent and cohesive. Leadership attributes like values, ethics, beliefs, skills, character and knowledge are core in an organization's performance. They are integrated through shared resources, vision and value system that promote positive change, and build zeal and confidence among the followers.

Wammy and Swammy (2014) define leadership as a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization's goals. In this regard, therefore, a leader is a person who delegates or influences others to act so as to carry out specified objectives. Aij and Teunissen (2017) assert that leadership is a wide spread process which calls for delegation of power, authority and responsibility that direct, persuade and guide followers towards achieving organizational and personal goals. One of the critical functions of leadership in an organization is to facilitate the attainment of organizational strategy and goals by eliciting desirable behaviour from the employees. The leader's behaviour can lead to success or failure of an organization. Organizations depend on the leaders at various hierarchical levels to initiate action programs for achievement of organizational goals. It is therefore, that organizational leadership style covers each and every

aspect that deal with both internal and external aspects of an organization such as guiding and helping the workforce to accomplish and achieve their tasks by acting, or being a role model, handling conflict among other issues.

Change management is the effective management of a business change process such that executive leaders, managers and front-line employees work in concert to successfully implement the needed process, technology or way of doing business. It is estimated that 70 percent of change programs fail to achieve their goals, largely due to employee resistance and lack of management support. The goal of change management is to implement these business changes quickly in an attempt to improve organizational performance while minimizing the impact on productivity, avoiding unnecessary turnover or loss of valued employees, eliminating any adverse impact on their customers and achieving the desired business outcomes as soon as possible (Burnes & Jackson, 2011).

The characteristics of change management are mainly categorized along the following two dimensions; radical versus incremental change and reactive versus proactive change. Radical changes is defined as changes that have an impact on the whole system of the organization and fundamentally redefine what the organization is or change its basic framework, including strategy, structure, people, processes, and (in some cases) core values (Nadler & Tushman, 2013).

Telkom Kenya was established in 1999 as telecommunications service provider by the Companies Act. The organization is responsible for providing integrated communications solution in Kenya with a range of voice and data services as well as network facilities. As at June 2017, the organization had a customer base of 2.8 million. This number has increased steadily in the past months due to the rebranding and intensive marketing. The customer base now stood at 4.8 million in the last quarter of 2018.

The company has over the years, undergone various transformations. Ongoing infrastructural developments by operators have largely been focused on network expansion for increased nationwide coverage. Telkom Kenya has seen many different changes in its operations, structure and workforce. The changes which have taken place at Telkom Kenya Ltd. include downsizing, acquisition, structural changes, strategic changes and restructuring among others. These have been managed through use of consultants, change planning, communication and buy in. The company has changed its organization structure, its strategic focus, its employee size and composition and also its management orientation. The changes have been brought about by competition, market liberalization, technological advancements and changing customer demands. The challenges in implementing changes at Telkom Kenya include lack of a clear cut plan in managing the retrenchment, limited resources to finance the downsizing, resistance to change by employees and the dynamism of the telecommunication industry.

1.2 Problem Statement

Organizations are often faced with continuous change that requires different approaches to implement and manage the necessary processes in the organization. Organizations operating environments are characterised by ever increasing customers' demands and expectations, shrinking product life cycles, changes in technology and the never ending search for

efficiency that is demanded from organization's managers and executives. Organizations therefore need to learn and adapt to these changes not only by adopting the relevant leadership styles but also by constantly revisiting services and product offering as well as realigning organization's strategy, process and structure. Telkom Kenya has seen many different changes in its operations, structure and workforce. The company has also seen its ownership structure change over the years with government reducing its shareholding to a great extent. The type of leadership styles the company has adopted to implement these changes is the focus of this study.

1.3 Research Objective

The study's main objective was to determine how organizational leadership styles affects change management in telecommunication industry in Kenya, a case study Telkom Kenya Limited.

1.4 Research Hypothesis

The study relied on one hypothesis to test the relationship between the two variables

H_{01} : There is no significant relationship between organizational leadership styles and change management in Telkom Kenya Ltd.

2.0 Literature Review

2.1 Theoretical Literature Review

The study was guided by Adaptive leadership theory and Kurt Lewin's theory of change management. The main anchor theory was however adaptive leadership theory.

2.1.1 Adaptive Leadership Theory

This theory was first defined by Heifetz in 2009. As cited by Northouse (2015), Heifetz and his colleagues suggest that "adaptive leadership is the practice of mobilizing people to tackle tough challenges and thrive" (Heifetz, 2009). The theory postulates that leadership is about influencing change that builds and enables the capacity of individuals and organizations to thrive. The bottom line is that leaders need to understand the importance of adaptation and be able to employ the relevant processes and tools to build the adaptive capacity of organizations. Adaptive leadership is a new development in leadership approach and it is currently being used and applied in modern workplaces.

Adaptive leadership theory was selected to anchor this study owing to the way it articulates how leaders encourage people to adapt to change which is the main gist of this study. Specifically, this theory focuses primarily on adaptations required of people when responding to changing situations. Furthermore, the theory clearly elucidates how the leader should encourage followers to deal with changing environments which is an important issue in this study's focus. Adaptive leadership theory is therefore most suitable since it explains a significant proportion of what this study is all about.

2.1.2 Kurt Lewin's theory of Change management

This theory was developed by Kurt Lewin in 1947. According to various scholars, change carries different and various meaning according to different processes that might mean to adjust, transform, switch, alter, modify and replace (Poon & Rowley, 2010). Change management has many theories and models that have been adopted. The first approach is referred to as Planned Change management Model. Lewin developed a three-steps change model that is; unfreezing, changing and refreezing. According to Lewin, the change process entails creating a perception that a change is needed, followed by moving towards the new desired level of behaviour, and solidifying that new behaviour as the norm. The Lewin change model is widely used and serves as the basis for many change models (Cummings, Brigdman, & Brown, 2016).

Lewin's model of change management can be accomplished in three ways: Changing the individuals who work in the organization (their skills, values, attitudes, and eventually behaviour) with an eye to instrumental organisational change; changing various organisational structures and reward systems, work designs, or directly changing the organisational climate for interpersonal relations.

A major drawback of this model is that it is based on the assumption that organizations operate under stable conditions and can move from one stable state to another in a planned manner, meaning this model might not be useful in more turbulent and chaotic business environments. In the case of Telkom Kenya Ltd, the theory was valid and enabled the study to focus on the type of organizational leadership style employed at Telkom Kenya to enable it transform into a successful organization.

2.2 Empirical Literature Review

Organizational Leadership Style and Change Management

Chen, Zheng, Yang, and Bai (2016) define organizational leadership style as a way of providing motivation, direction and implementing plans. Management styles are viewed as approaches that a particular leader uses to lead and manage organizations. It has been observed that leaders who use a combination of styles are more effective because there is no one best style of leadership. On the other hand, change management has been referred to as an effective way to manage a business change process such that executive leaders, managers and front-line employees work together.

In Denmark Holten and Brenner (2015) examined organizational leadership style and the process of change management. The purpose of the study was to establish the process which may contribute to employees' positive reactions to change. The study focused on the relationship between change experiences and explicit responses. The study also examined the direct and indirect relationship between transformational and transactional organizational leadership styles and employees' appraisal of change through commitment. The Authors established that both transformational and transactional organizational leadership styles were positively related to engagement of managers and was associated with employees appraisal of change. The study also established that transformational and transactional organizational

leadership styles had a direct, long term effect on employees change appraisal where transformational leadership was more positive while transactional leadership had a negative score.

Maria da Costa, Sousa and Moreira (2018) investigated the relationship between organizational leadership style and the success of lean management implementation. The authors' main intention was to have a better understanding of the role that leadership plays in success of lean management implementation by indentifying the role of transactional, transformational, directive and empowering organizational leadership styles on the success of implementation in organizations in Lisbon, and what the most important leadership attributes were. The study established among other things, that the empowering organizational leadership style had a positive impact on the success of lean management implementation.

Binci, Cerruti and Braganza (2016) examined if vertical and shared leadership needed each other in change management. The authors adopted a content analysis that was based on 9 semi structured interviews with top and middle management managers. The study also used a dataset of documents that included reports and corporate presentations. That study established that both in radical and incremental step, vertical as well as shared leadership, interacted showing their reciprocal needed to deal with change management.

In the context of business operations, change management affects the performance of employees during and after change. During the change process, the behaviour of the employees is greatly impacted upon through emotional responses. When the issue of change is introduced to the employees, they tend to fear. They often assume a defensive and resistant role. It's important to note that employees do not naturally perceive change positively. It interferes with their routine activity and they are subjected to a deviation from what they are used to doing. They feel threatened and unsure. This brings about mental and emotional instability, often implicating on their performance.

Starting from the findings of those earlier studies in different companies and different countries, this study examined the role that leadership style has played and continues to play in Telkom Kenya Ltd as the company grapples with the repetitive need for change management.

2.3 Conceptual Framework

The conceptual framework presents and defines the relationship between the study variables. The independent variable was the Organizational Leadership Style and the dependent variable was Change Management as depicted in Figure 1.

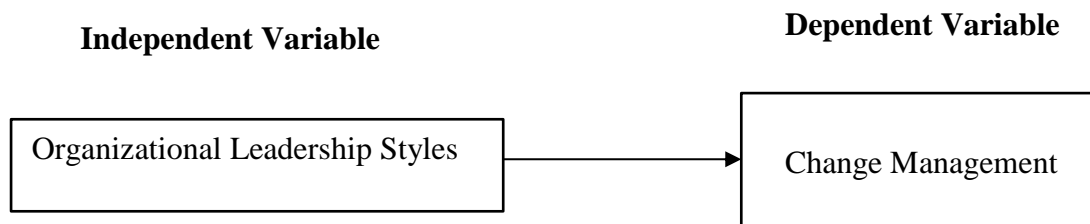


Figure 1: Conceptual Framework

3.0 Research Methodology

The research adopted a descriptive design which helped in obtaining the most relevant, recent and in-depth information on the study topic. This study's target population was 1450 employees of Telkom Kenya comprised of senior level management, middle level management and non- management staff at the Head office in Nairobi. Kombo and Tromp (2009) indicated that a sample size of 10% or 20% of the target population selected using stratified sampling is adequate to generalize the study findings. In this context, the researcher used 10% which is minimum recommended.

This research study used questionnaires as the main data collection tool. According to Orodho (2009), questionnaires measures likelihood of straight, even and blunt answers. This can be superior to an interview because social communion operates strongly in a face of situation that may prevent the person from expressing what he feels to be socially or professionally unacceptable views. The questionnaire contained closed-ended questions using Linkert scaled questions where 1= strongly disagree, 2= disagree, 3=uncertain, 4=agree and 5= strongly agree.

A pilot study was conducted before questionnaires were distributed for data collection. The pilot study was conducted at Telkom Thika branch, where the targeted number of employees was 15. This branch was not included in the final data collection. The purpose of pre-testing the research instrument was to verify whether the questionnaires were clear to the respondents and establish whether the feedback form would effectively address the data needed for the study.

Reliability Tests

The study used alpha co-efficient of 0.7 or above for all constructs that were considered adequate for the study. The construct multiple of reliability is Cronbach Alpha. According to Kombo and Tromp (2009) the standard acceptable reliability coefficient is 0.7. The study adopted Cronbach Alpha and used it to test research instruments reliability. The pilot study

also tested the reliability of the questionnaire in which the questionnaires were pre-tested to a sample group similar to the actual sample.

The data collected in the main study was coded and grouped then tabulated. Descriptive analysis and linear regression analysis were used to analyse the data. Central tendency measures including mean and standard deviation were used to examine individual variables while correlation and regression coefficients were used to establish relationship between organizational leadership style and the resultant change management. The open ended questions were analysed using conceptual content analysis to generate statistics.

The regression models used were of the form:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y = Change Management;

β_0 = Regression constant;

β_1 = Coefficients of organization leadership style;

X₁ = Organization leadership style and

ε = error term.

The findings were presented in terms of percentages, tables and charts. The study observed ethical considerations based on moral standards. Furthermore respondents' consents were obtained prior to collecting the data. A research permit to carry out the study was also obtained from the National Commission of Science Technology and Innovation (NACOSTI), the body charged with regulation of research in Kenya.

4.0 Results of the Study

At the end of the data collection, a total of 118 questionnaires had been fully filled and returned out of the 145 that were issued showing an impressive 81% response rate. A demographic analysis of the responses showed that 59% of the respondents were male and 41% were female. Analysis by age showed that the majority (36%) of the respondents indicated were aged between 31 years and 35 years, followed by respondents whose age fell between 26 years and 30 years at 23%, respondents aged 25 years and below were 19% while the respondents aged between 36 years and 40 years were 12% and finally those over 41 years were 10%. Analysis was also done by level of education and the results showed that the majority of the respondents had attained a diploma at 33% followed by bachelor's degree at 25%, followed by respondents with post-graduate education at 15%. Respondents who indicated any other level of education were at 19% while 1% had PhDs and none indicated primary school education but 7% had secondary school education. This implies that respondents' education level was adequate to answer and interpret the research questions.

Further analysis showed that majority of the respondents had worked in the company for between 4 years and 7 years at 48%, followed by 8 year to 12 years at 34%, followed by employees who have worked for 3 years and below at 19% while 9% of the respondents

indicated above 13 years. This shows that respondents were in a good position to provide accurate answers to study questions and had a good understanding of the organization.

4.1 Descriptive Statistics

The study’s objective was to examine and determine how organizational leadership styles affects change management at Telkom Kenya Ltd. Data on the study’s variables were collected by requiring the respondents to use a five-point Likert scale. A set of six questions were used to determine how organizational leadership style affects change management and the results are shown in Table 1.

Table 1 Descriptive Statistics

Variable	Mean	Std. Deviation
Organisational Leadership Styles	3.45	1.1133
Change Management	3.64	1.0506

Table 2: Correlation between Organizational Leadership Style and Change Management

		Change Management
Organizational Leadership styles	Pearson of Correlation	0.685**
	Sig. (2-tailed)	0.000
	n	118

** Correlation is significant at the level of 0.01 level (2-tailed)

The Pearson correlation analysis was carried out to establish the association between organizational leadership style and change management. The study established a strong positive correlation between Organisational Leadership styles and Change Management (r= 0.685, p=0.01) as shown in Table 2.

Model Testing

The study hypothesized that there was a positive relationship between organizational leadership style and change management. The study used linear regression analysis to test this hypothesis. These tests were done in SPSS version 24 at 95% confidence interval. The hypothesis was tested to determine significance levels.

Table 3: Model Summary Organizational Leadership Styles

Model	R	R Square	Adjusted R Square	Std. Error of the estimate	R Square Change	F Change	df1	df2	Sig. F
1	.685 ^a	.433	.425	.54731	.433	62.251	1	89	.000

a. Predictors: Constant, organizational leadership style

Further testing of the model was done using analysis of variance (ANOVA) and the results are as shown in Table 4.

Table 4: ANOVA and Coefficients of organizational leadership style

Model		Sam Squares	of df	Mean square	f	Sig.
	Regression	18.947	1	18.947	68.500	.000 ^b
	Residual	24.860	88			
	Total	43.807	89			

- a. Dependent Variable is Change Management
- b. Organizational Leadership Styles

Table 5 Regression of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. error	Beta	T	Sig
1	Constant	1.915	.252		7.612	0.000
	Organization Leadership styles	0.571	0.73	0.685	7.954	0.000

An ANOVA analysis between organizational leadership styles and change management at 95% confidence level. The F critical was 62.251 and the P-value was (0.000). This shows that the results as shown in table 3 was significant. The regression equation developed was $Y = \beta_0 + \beta_1 X_1 + \epsilon$

$$Y = 1.915 + 0.570X_1 + 0.548$$

Where:

Y is the Change Management;

β_0 is the regression constant;

β_1 is the coefficients of organization leadership style;

X1 is the organizational leadership styles and

ε is the error term.

4.2 Hypothesis Results

The hypothesis H_{01} stated that there is no significant relationship between organizational leadership styles and change management in Telkom Kenya Ltd. The results in Table 5 show that the R-Square is 0.685 and p-value is $0.000 < 0.05$. This indicates that the null hypothesis is rejected which means that organizational leadership styles affects change management such that a unit variation in organizational leadership styles results in a corresponding improvement in change management of 68.5%. The study findings are in agreement with other scholars' findings such as Binci, Cerruti and Braganza (2016) who examined the vertical and shared leadership's need for each other in change management and determined that leadership's needs affect Change Management.

4.3 Summary of the Findings

The study's objective was to examine and determine how organizational leadership styles affects change management at Telkom Kenya Ltd. The results reveal that organizational leadership styles have a positive and significant effect on change management. This means that a change on the organizational leadership styles could lead to a variation on the change management at Telkom Kenya.

5.0 Conclusion

Based on the findings, the study concluded that organizational leadership style has a significant and positive effect on change management. The Pearson correlation analysis carried out established that there was a relationship between organizational leadership styles and change management. The study established existence of a strong positive relation between the variables and hence concluded that an improvement in organization leadership styles will result in improved change management. The study therefore concluded that all factors held constant, organizational leadership styles is a factor that affects change management at Telkom Kenya

6.0 Recommendations

From the findings, the study recommended that Telkom Kenya Management and Board of Directors should appreciate that one of the critical functions of leadership in an organization is to facilitate the attainment of organizational strategy and goals by eliciting desirable behavior from the employees. Leader behavior can lead to success or failure of an organization especially during change process. Therefore, organizations such as Telkom Kenya should have regular trainings on leadership as a mentorship program to junior managers. Telkom Kenya Management depends on the leaders at various hierarchical levels to initiate action programs for achievement of these organizational goals such as effective change management. The study also recommended that similar studies be done in different

contexts given the dynamic and competitive nature of the environment in Kenya in which telecommunication companies such as Telkom Kenya Ltd operate. This will help them establish whether the strategies they adopt can lead to their effective management of change.

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