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**INFLUENCE OF INTERNAL ORGANIZATION FACTORS ON
TRANSFORMATION OF STATE CORPORATIONS IN KENYA:
A CASE STUDY OF KENYA MEDICAL SUPPLIES
AUTHORITY**

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Strategy

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AUTHORITY

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Abstract

Purpose: Internal and external environment affect the way in which organizations operate. Over time organizations have reengineered their operations so as to survive and adapt to the changing situations. The research study underlying objective was to determine the effects of internal organizational structure on transformation of state parastatals in Kenya with reference to KEMSA as study case.

Methodology: The study sample was 160 respondents that were randomly selected from a target population of 270 staff at KEMSA. A stratified sample of 160 personnel selected from a population of 270 permanent staff of KEMSA. A sample was collected from each of the three stratum using simple random sampling. Research questionnaires were used to collect data. The research used descriptive statistics and inferential statistics for data analysis.

Results: The study findings showed that there is a significant relationship between organizational transformation and the four variables; Organizational structure, Organizational resources, adoption of ICT and Strategic planning. This therefore implies that organizational structure, organizational resources, adoption of ICT and strategic planning affects organizational transformation. A unit increase will improve the organizational transformation in the company.

Unique Contribution to Theory, Practice and Policy: The study recommends that for sustainable improvement the KEMSA board of management should manifest to the staff an organization culture that aligns itself to organization structure and ensure proper management of resources. They should also clearly spell out the organization strategy that focuses more on following the organization mission that ensures that staff are conversant with organisation mission and vision.

Key Words: *Internal Organizational Structure, Transformation, State Parastatals*

1.0 INTRODUCTION

Organizational performance has become a key component for organizations to survive the changing environment. Organizational transformation is often a means to an end. According to Higgs and Rowland (2010) most of the organization initiate transformation with a particular objective in mind while evaluating the effectiveness and success of transformation is not always straight forward and these are some of the challenges that organization leadership needs to note, for any transformation to be effective and successful it should be in position to achieve the stated organization objectives. The goals of organizational transformation have a typical and economic angle that includes cost reduction, improved organization performance and increased profits that is generally determined when companies need to justify the reasons for investing in organization transformation which is often an economic reason (Neal *et al*, 2009). Organizational transformation goals are associated with achieving results and whether particular initiative have been implemented successfully and particular initiatives have been set up. While the measures serve as rough indicator of organization performance, yet the usefulness of organizational transformation is still debatable. It's a well-known fact that transformation is a lengthy and continuous process that is time and resources consuming and the entire process often unflood and employees require time to develop new habits. The process of transformation is critical for organizational learning and long term sustainability (Neal *et al*,2009).

Firms are complex and self-generating system with many inter-rational dynamics and therefore organizational transformation cannot be wholly controlled but can produce results that might be unpredicted and therefore organization require multiple dimensions when identifying the main transformational objectives that should be sufficiently broad but not to the extreme and emphasis should be given to the transformation process as well as the outcomes. Additional, measures of origination performance such as cognitive changes and reflective affective among others for instance the extent to which employees feel involved in the entire change process, the organization learning curve from the transformation process and the extent to which employees find the new idea to be meaningful. These may include the extent to which people feel involved in the change process, the organizational learning curve from the transformation process, and the extent to which people find the organization's new purpose to be meaningful. There are other factors that are determine the successfulness of transformation but are not necessarily effective as they don't add any value or interest the organization in that some organizational leadership may at times implement transformation for simple the sake of change with a little regard of consequences and cost while others may do it to pursue their personal agenda at the organization's cost (Diefenbach, 2007). According to Keupers (2007) its important to first evaluate why organization is seeking transformation and what are the internal factors that can contribute to the successful transformation.

Internal Organizational Factors

Internal organizational factors are variables that affect the organizational structure and which the organization can adjust to respond to its changing environment (Teo, Tan& bulk, 1997). From both the global and the regional perspectives, internal organizational factors play a key role in transformation of organizations. Organizations should identify the internal factors that are key in

transformation so that they can capitalize on them so as have sustainable transformations. Organizational performance or effectiveness is the ultimate goal of all organizations; thus, the implication of the types of internal factors adopted for performance is very important.

Kenya Medical Supply Authority

The Kenya Medical Supplies Agency (KEMSA) was established as a state corporation through the Kenya Medical Supplies Agency Order 2000. When it was created, it was considered as a radical organizational improvement over its predecessor, the central Medical Stores. However, since its inception, KEMSA went through multiple ups and downs and in most of the period from 2001-2008, it was viewed as an ungainly and bureaucratic agency unable to fully deliver on its mandate. Substantial efforts were made between 2003 and 2008 by the Government of Kenya and its development partners to enable KEMSA to become more effective. While these initiatives led to some level of performance improvement, the gains were either short-lived or not significant to generate confidence for sustained investments in KEMSA. This was mainly due to; weak legal framework, political interference, erratic flow of funds for procurement and operations, excessively fragmented supply system, Poor visibility of stock both at the central warehouse and at the health facilities, Lack of infrastructure and capacity for Information and Communication Technology (ICT) and lack of leadership and governance structure (KEMSA, 2016).

When the coalition government came in power, the then medical services minister Prof Anyang' Nyong'o was concerned by non-performance of agencies in the ministry, KEMSA was among them. He took drastic actions. He dissolved the board and made changes in administration. The changes began to be felt in 2006 and by 2007 the organization operated deliveries on a monthly basis to 141 hospitals in the country using a pull system. It also outsourced the transport function to commercial transporters. New methods for warehouse management were also put in place. Direct delivery and outsourced transport were extended to include all health facilities in Kenya. However, KEMSA's management remained overwhelmed with managing the day-to-day challenges and could not focus on creating a vision for change. This further exacerbated the lack of confidence in KEMSA, leading to lower investments in KEMSA, greater fragmentation of authority, and an overall cycle of decline. KEMSA remained stuck in a poor performance trend. The national government in 2008 through the development partners introduced integrated reforms at KEMSA. The reforms saw the organization transform from a low performing organization to world class medical distribution organization. When a new board and team came in, management embarked on implementing the recommendations that served as catalysts that brought the transformation, KEMSA came up with a business model that generates its own revenues that made the organization self-sufficient. On strengthening supply chain infrastructure, Organization started benchmarking and embracing the world's best practices in terms of warehousing and distribution, at the same time embracing technology that promoted efficiency and reduced costs. The transition from Kenya Medical Supplies Agency to The Kenya medical supply Authority (KEMSA) through the KEMSA Act of 2013 gave KEMSA greater autonomy to run its affairs. With the new legal framework, KEMSA was able to enter into partnership with Global Fund, USAID, UNICEF, World Bank, JICA, DFID and DANIDA, that has helped bring a turnaround.

Statement of the Problem

The current rapidly accelerated global marketplace, most of the organization have no choice but strategize on how to transform the organization in order to meet customers' demands and achieve organizational goals. For these organizations to survive the ever changing environment organizations have reengineered their processes but unfortunately organizations still report a high failure rate of their change initiatives. The success rate of change initiatives is less than 30 percent (Balogun & Hailey, 2004) and more recent articles note the fact that this rate is not getting any better (Jacobs *et al*, 2013). Those failure rates indicate a sustained need for investigating and finding what factors increase the probability of successful organizational transformation. Long-term successful organizational transformation depends on the ability of the organization to implement its vision, collaborate and integrate systems and processes at all levels of the organization. Organizational structure and resources determines how organizations can collaborate and integrate their systems and processes to achieve their objectives in the most efficient and effective manner. Strategic planning enables an organization to build a bridge between the perceived present situation and the desired future position described by the vision (Bush & Coleman, 2000; Johnson & Scholes, 2002) resulting in sustainable transformation.

Many local studies that have been done in Kenya regarding organizational transformation; Kiptugen (2003) researched on strategic responses by Kenya Commercial Bank to a changing competitive environment and established that Kenya Commercial Bank responded to its changing competitive environment through restructuring, marketing, embracing information technology and culture change. Nzuki (2012) researched on effects of structural transformation on employee performance at KENGEN and his study established that changes in chain of command span of control, work teams as well as job redesign in the organization improves staff performance. A study by Atikiya and Nzulwa (2014) on transformation of KWS established that when organizational have clearly defined corporate goal, involving top management, development of human capital and the control of financial resources have a significant influence transformation of KWS as it influenced speed, quality and quantity of the entire process.

Despite the several studies done on organizational transformation, none of the studies have focused on KEMSA. Additionally KEMSA operates on a business model unlike most of the parastatals. The researcher was therefore motivated to bridge the knowledge gap by seeking to establish the influence of internal organization factors on transformation of State Corporation in Kenya while using a case study of Kenya Medical Supplies Authority. The state corporation was established in 2000 and since then the organization has gone through multiple ups and down that have affected its overall performance. From 2008 the national and development partners tried to enable the organization to be more effective and the initiatives lead improved performance to some extent but the level of gains were so minimal that to generate more investment in the organization. KEMSA has mainly been affected by political interference, weak legal framework, resource mismanagement, fragmented supply system, poor infrastructure, inadequate leadership and weak governance structure (KEMSA, 2016).

Kenya Medical Supply Agency was renamed to Kenya Medical Supply Authority in 2013 through an Act of parliament which gave KEMSA greater autonomy to run its affairs following

devolution of medical services to counties. To counter the pressure from the counties who wanted to procure their drugs from other suppliers, KEMSA reorganized its way of working by changing its operational structure, reallocation of resources, enhanced its ICT systems and re-aligned its strategic plan to the new business model. The transition and reorganization saw the organization transform from a low performing organization to a world class medical distribution organization. This study therefore sought to establish the influence of organizational structure, organizational resources, adoption of ICT and strategic planning on transformation of KEMSA.

2.0 LITERATURE REVIEW AND THEORITICAL REVIEW

Institutional Theory

Goguen and Burstall(1984) established institutional theory. The theory has placed emphasis on organization environment that has influence in shaping organizational structure and company's actions. Institutional theory indicates that organizational decisions are not driven purely by goals that are rational and efficient but by cultural and social factors and apprehensions for acceptability. Organizations are elated by structures, routines, cultures and operate at several levels. The theory states that organizations become the same because of pressure for authenticity and isomorphic. Which implies that organization that deal with same products or services tend to be homologous within a period of time, customer needs and requirements facilitate copying other organization leaders.

Organizations are likely to be induced to adopt what fellow organization by external isomorphic pressures from competitors, government, trading partners and customers. The theory also puts more emphasis on social behaviour which considers organization process by which formations, representations, procedures, customs and procedures that are conventional as commanding strategies. According to the theory organization strategies are influenced by other external factors that include political, social and economic pressure and decision making within the firm seek to legitimate their practices to other stakeholders (Othman, 2006). The theory is applicable in this study in that it explains the organizational changes brought regulations, changes in technology, social values that affects organization decision making. The theory supports study objective on organizational structure and resources that affects transformation at Kenya Medical Supplies Authorities.

Kurt Lewin's theory of Organization change

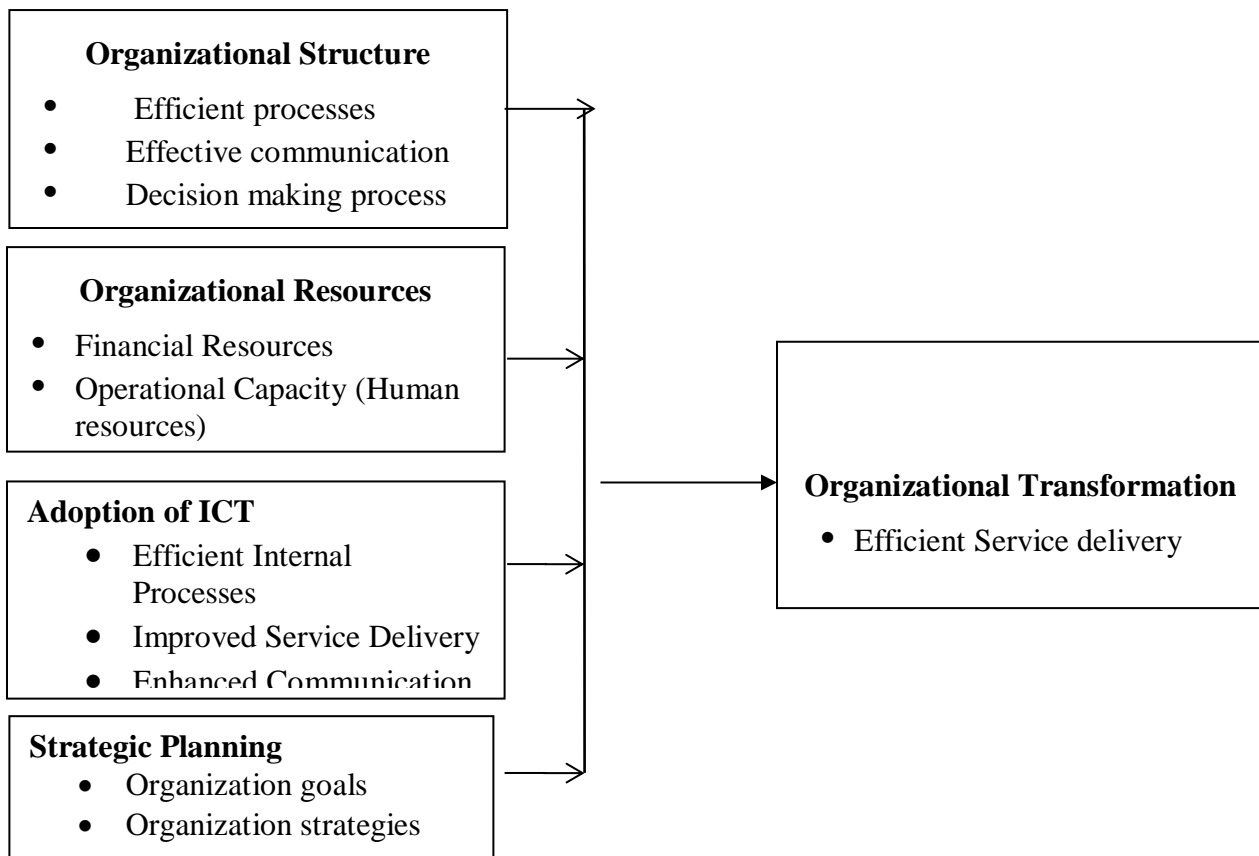
Lewin's model of organizational change can be accomplished in three ways: Changing the individuals who work in the organization (their skills, values, attitudes, and eventually behaviour) with an eye to instrumental organisational change; Changing various organisational structures and systems – reward systems, reporting relationships, work designs; or Directly changing the organisational climate or interpersonal style how often people are with each other, how conflict is managed, how decisions are made. Lewin's model focused on the interdependence and ordering factors within the affiliation. From an organization perspective, this meant that there was a process of dependence among the different units and subunits within the organization. Also, the level of dependence was based on the importance of the various units within the organization. However, 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. The theory will enable the study focus on the type of structure KEMSA has employed to enable it transform into a successful organization.

Conceptual Framework

Best and Khan (2006) described framework theory as an attempt to develop a general explanation for some phenomenon. More specifically, a theory, according to these authors, it defines non-observable constructs that are inferred from observable facts and events, and are thought to have an effect on the phenomenon under study. It further implies that a theory describes the relationship among key variables for explaining a current state or predicting future concurrences. Conceptual framework is the mental formulation and explanation of ideas. It is the direct link of concepts and relationships of constructs adopted in the study. The framework is independence variables that are 4 in number and one dependable variable. Mugenda and Mugenda, (2003) defined an independent variable as the one that the researcher manipulates in order to determine the effect or the influence on the other variable.

Figure 1: Conceptual Framework



A study by Atikiya and Nzulwa (2014) on transformation of Kenya wildlife revealed that clearly defined corporate goals, top management involvement, human resource capacity and financial resource control had a significant influence on the quality, quantity and speed with which KWS realized transformational success. In this study Organizational structure, Organizational Culture, adoption of ICT and strategic planning potentially influence organizational transformation.

Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function and where it reports to within the organization. This structure is developed to establish how an organization operates and assists an organization in obtaining its goals to allow for future growth. Employees do best when they know who to report to and who is responsible. Organizational structure creates and makes known hierarchies. When organizational structures are more consistent it gives employees security and a positive attitude. A consistent structure is one where the hiring of employees are within the organization, where employees are promoted when they are effective and when employees can relax about job loss. When an organization has a consistent structure; employees will devote themselves and perform the best at the jobs, which gives an organization a higher production rate. Additionally, an organizational structure is the way of doing business, how each change is implemented and how each job description is made, how organization communication works and the strategic plan to improve productivity (Merker, 2011).

The cost of implementation is not a recurrent expense and is generally related to planning and the setup of the quality management system; quality expert; consulting fees, training cost of staff and audit fees for certification (Fulop & Day, 2010). A study conducted in Sweden by Carlson in 2004 established that certain organization had challenges with resources and time consumption, the survey firms indicated they had issues with assessing the time to implement the quality management system and estimated resources they would require for the process. To implement transformation in organizations require adequate resources at their disposal, the resources available and the personnel capacity will greatly affect the degree to which various quality options are considered. Organization resources therefore play a vital role in the entire process.

Technological change and its impact on the work force have become a focus of attention all over the world. However, there are conflicting views about the implications of changing technology for employment. Some experts say that the pace of technological change is accelerating and that thousands of workers in plants and offices are affected as labour saving innovations is diffused more widely (Mark, 2010). Technological change and its impact on the work force have become a focus of attention all over the world. The innovations include advanced communication systems, industrial robots, and information system. These modern technologies incorporate powerful and low-cost microelectronic devices that have the potential to increase productivity in office and factory production tasks (Smith, 2007).

Strategic management is a systematic resource-based process of making major decisions in organizations. It attempts to organize meaningful assets and skills, information and competitive decisions, and strategies be made under conditions of uncertainty (Aacker, 1989; David 1999). Although there is no one universally accepted definition or way of practicing strategic management, the review of the normative and empirical works suggest that strategic

management process involves strategy formulation (Thompson & Strickland, 2009), strategy implementation (Wheeler, 1995) and strategy evaluation and control (John and schools, 1998) and (Craig & Grant, 1993). In strategic management process, after formulating, implementing is the most important stage. In strategic planning adoption, implementing strategy is the connecting loop between formulating and control. In fact what integrates strategies is successful implementation of them.

Organization transformation is achieved by realigning the way staff works, how the organisation is structured and how technology is used. Typically, organisations go through several stages in transforming themselves. They first must recognise the need to change and must get consensus amongst stakeholders that dramatic change is necessary. They must agree what form the change should take, the objectives of the change and a vision that describes a better future. They also need to understand what the organisation is changing from and what needs to change in detail (Balogun & Hope Hailey, 2004).

3.0 METHODOLOGY

Descriptive research design was adopted for the study. The target population of this study comprised of senior managers, middle level managers and non-management staff of KEMSA totaling to 270 staff. The sampling frame of this study was 270 staff obtained across all the staff cadres in KEMSA (KEMSA registry). The study used stratified sampling technique which involved dividing the target population of 270 staff into strata. Research questionnaires were used to collect data. The data was analyzed by using descriptive statistics. Specifically, means, averages and percentages was employed by the researcher. The data analysis tools were simple tabulations and presentations of the report using spreadsheets. The data was presented using tables, charts and graphs.

4.0 RESEARCH FINDINGS

4.1 Demographic Information

Table 1: Respondents Gender

Category	N	%
Male	<u>79</u>	<u>60</u>
Female	<u>53</u>	<u>40</u>
Total	<u>132</u>	<u>100</u>

As shown in Table 1 the genders of the respondents were as follows, male were represented by 60% while female were 40%. This shows that all genders had almost equal representation in the study but male were slightly more than 50% in the study and all their opinions counted.

Table 2: Rrespondent's Highest Level of Education

Category	Frequency	Percentage
Secondary	6	5%
College	29	22%
Degree	55	42%
Master	34	26%
PhD or Pursuing	8	6%
Total	132	100

Respondents were asked to indicate their highest level of education they have attained, as shown in Table 3 the majority had degree level of education at 42%, respondents with master degree level of education were 26%, respondents with collage level of education were 22%, Secondary level education were 5% while PhD or Pursing were 6%. This can be interpreted as respond educations level is adequate to answer and interpret research questions and also is a clear indication that the organization is equipped with skilled and qualified personnel.

Table 3: Respondent's age groups

Category	Frequency	Percentage
20years – 30years	20	15%
31years – 40years	51	39%
41years - 50years	38	29%
51years – 60years	14	11%
Over 61years	9	7%
Total	132	100

As tabulated in table 3 respondents were asked to indicate their age groups as per the scale provided. The majority of the respondents were aged between 31 – 40 years and represented 39%, 41 – 50 years were at 29%, 20 – 30 years were at 15% while 11% were 51 -60 years and 7% were over 60 years. This shows that the majority of the respondents were in their very active age group hence very energetic.

Table 4: Respondent's years in service

Category	Frequency	Percentage
Less than 1years – 5years	24	18%
6years – 10years	78	59%
11years and Above	30	23%
Total	132	100

From table 4 above it clearly shows that the majority of the respondents had worked for 5 to 10 years at 59%, followed by respondents who had worked for 11years and above at 23% while the ones who had worked for 5 years and below were 18%. This shows that the staffs have been in the organization long enough to understand and respond to study variables effectively and thus the information to be provided are reliable; there was a good experienced worker in the organization.

Table 5: Respondent's position in organization

Category	Frequency	Percentage
Senior Management	6	5%
Middle Level Management	24	18%
Non-Management Staff	102	77%
Total	132	100

As shown in Table 5 the respondents were asked to indicate their jobs ranks 5% indicated senior level management and 18% were middle level management while 77% indicated non-management staff. This shows that all categories in the organization were well presented in the study.

4.2 Organizational Structure

Table 6: Individual position/units clusters within organization clusters

Structure	Frequency	Percentage
Functional	100	76%
Divisional	20	15%
Matrix	5	4%
Flatarchy	7	5%
Total	132	100

As shown in Table 6 respondents were asked to indicate how individual position, units are clustered in the organization. Responses were as follows: 76% indicated functional, 15% divisional, 4% matrix and 5% flatarchy. This shows that organizational structure, in KEMSA is functional where roles are divided based on specialty and individuals are dedicated to a single function. This clearly defines roles and expectations and enhances the efficiency of the organization.

Table 7: Levels of hierarchy within organization

Category	Frequency	Percentage
Hierarchical	90	68%
Flat	42	32%
Total	132	100

As tabulated in table 7 respondents were required to indicate levels of hierarchy in the organization and the results shows that majority of the respondents at 68% hierarchical while 32% indicated it was flat.

Table 8: Measures of the extent in which organization structure has influenced successful transformation

Items	%						
	NAA	LE	ME	GE	VGE	M	SD
Extend to which organizational structure has impacted on employees' performance	3.03	11.36	40.15	24.24	21.21	3.09	1.060
Extent to which organizational structure has encourage d effective communication	1.51	9.09	21.12	38.63	29.54	2.95	1.056
The organizational structure enables the employees to achieve their objectives in the most efficient and effective manner	4.61	17.07	32.3	35.5	10.1	2.85	1.171
Extent to which organizational structure has influenced successful transformation	3.1	6.21	17.11	48.80	24.8	2.82	1.156

N=132

NAA=Not At All, LE=Little Extent, ME=Moderate Extent, GE=Great Extent, VGE=Very Great Extent, M=Mean, SD=Standard Deviation

Organizational structure was assessed by asking the respondents using a five-point likert scale, the study sought to know respondents' level of agreement on various statements relating to the extent to which institution organizational structure has influenced successful transformation. To measure organization structure, a set of four items were used. The pertinent results are presented in the table 4.10 where n= 132 Descriptive statistics were used to shows the responses.

The findings of the study showed 40.15% of the respondents agreed that organizational structure has a moderate impact on employee performance, 38.63% agreed that organizational structure influences effective communication to a great extent, 35.5% of the respondents agreed that to a great extent, organizational structure enables the employees to achieve their objectives in the most efficient and effective manner. Finally, 48.8% agreed that Organization structure influences successful transformation to a great extent

The findings of the study, indicate that the responses to the statement used to measure the influence of organization structure on performance range from 2.8 to 3.09. This is an indication that majority of the respondents were in agreement with the statements that were used to measure organizational structure. Likewise, the standard deviation for most of the items were in the range of 1.0 meaning that the respondents relatively agreed on the statements related to how organizational structure influences successful organizational transformation

4.3 Organizational Resources

Table 9: Respondents view on the impact of resource allocation on the organizational transformation

Items	% SD	D	UD	A	SA	M	SD
Adequate system for resource mobilization.	2.13	13.21	5.81	36.41	42.44	3.51	1.079
Enough personnel to implement the activities of the organization	4.51	9.02	4.82	42.11	39.54	3.39	1.130
There is an adequate system for allocating resources.	4.61	7.07	4.22	39	45.1	3.35	1.041
There is transparency and accountability of the organizational resources	3.18	6.23	3.19	47.8	39.6	3.30	1.053
There is adequate measures to reduce wastage	3.22	11.21	5.12	42.32	38.13	3.20	1.091
Adequate systems for generating sustainable income	7.11	12.21	6.24	48.89	25.55	2.82	1.156
Donor involvement has played a key role in successful transformation of KEMSA	3.13	6.34	5.14	44.18	41.21	3.09	1.060
Overall, Organizational resources have influenced successful transformation of KEMSA	1.81	3.55	6.5	50.12	38.02	4.01	1.019

N=132

SD=Strongly Disagree, D=Disagree, UD=Undecided, A=Agree, SA=Strongly Agreed M=Mean, SD=Standard Deviation

Organizational resources was assessed by asking the respondents view using a five-point likert scale, the study sought to know respondents' level of agreement on various statements relating to the extent to which institution organizational resources have influenced successful transformation. To measure organization structure, a set of eight items were used. The pertinent results are presented in the table 4.11 where n= 132 Descriptive statistics were used to shows the responses.

The findings of the study established that respondent's organization has an adequate system for resource mobilization with 36.41% agreeing and 42.44% strongly agreeing. Forty two percent of the respondents agreed that the organization has enough personnel to implement the activities of the organization. The third issue the study inquired was if there is an adequate system for allocating resources in respondent's organization and 39% of the respondents agreed and 45.1 strongly agreed. The study also inquired if there is transparency and accountability of the organizational resources, 47.8% agreed and 39.6 strongly agreed to the statements. Further,

42.32% of the respondents concurred that there are adequate measures to reduce wastage while 48.89% agreed that the organization has adequate systems for generating sustainable income. Forty four percent of the respondents agreed that donor involvement has played a key role in successful transformation of KEMSA and 41.21 % strongly agreed on the same statement. Finally, the respondents were asked if overall, organizational resources had influenced successful transformation of the organization, 50.12% of the respondents agreed to the statement and 38.02% strongly agreed.

Table 4.11 reveals that mean score for the eight statements used to measure the extent to which organizational resources has influenced successful transformation were 3.3337. The overall mean score of 3.3337 shows that the organization resource has sufficient influence in organization transformation.

Table 10: Respondents view on effects of information technology on the organizational transformation

Items	% SD	D	UD	A	SA	M	SD
ICT system has greatly improved service delivery to the customers	2.1	4.6	6.1	43.5	43.7	3.63	0.986
The ICT system has improved accountability and transparency of processes.	1.95	3.44	4.01	50.44	40.16	4.01	1.019
The ICT system has made internal processes very efficient	2.39	5.16	4.82	49.48	38.15	3.62	0.986
The ICT system is user friendly and widely used by the Employees	4.06	6.21	5.43	42.58	41.72	3.51	1.118
My Organization has competent ICT personnel who assist the employees to fully use the ICT system	4.12	12.38	8.26	46.13	29.11	2.66	1.009
There is adequate allocation of Electronics(PCs/Laptops/telephones) enhancing communication across the organization	7.7	11.5	12.3	35.4	33.1	3.23	1.053
In general, adoption of ICT has influenced successful transformation of my Organization.	3.82	4.85	6.17	42.98	42.18	3.20	1.158

N=132

SD=Strongly Disagree, D=Disagree, UD=Undecided, A=Agree, SA=Strongly Agreed M=Mean, SD=Standard Deviation

The respondents were asked their view using a five-point likert scale, the study sought to know respondents' level of agreement on various statements relating to the extent to which ICT has influenced successful transformation. Table 4.12 shows respondents' view on statements

inquired about impact of ICT on the organizational transformation. The study sought to know if ICT system in the organization had improved accountability, transparency and service delivery, 43.5% agreed and 43.7% strongly agreed that ICT has improved service delivery while 50.44% agreed that ICT had improved accountability and transparency in organization's processes. Forty-two percent of the respondents agreed that the ICT system were user friendly with 49.48% agreeing and 38.15% strongly agreeing that the ICT process in place has made the internal processes very efficient.

The study also inquired if there was adequate allocation of electronics (PCs/Laptops/telephones) enhancing communication across the organization, 35.4% agreed that there is adequate allocation ICT electronics and 46.13% of the respondents agreed that the organization has competent ICT personnel who assist the employees to fully use the ICT system. Finally, 42.98% of the respondent agreed that adoption of ICT had influenced successful transformation and 42.18 strongly agreed on the same statement. With an overall mean score of 3.4085 the study demonstrated that ICT adoption plays an important role in organization transformation

4.4 Strategic Planning

Table 11: Respondents view on how strategic planning affects organizational transformation

Items	%						
	SD	D	UD	A	SA	M	SD
The organizations strategic plan has been shared to all the employees and their objectives are aligned to the strategic plan	6.1	4.6	22.1	43.5	23.7	3.63	0.986
I clearly understand the vision and mission of my Organization.	1.6	7.0	22.5	50.4	18.6	4.01	1.019
Implementation progress is reviewed regularly and changes and accomplishment shared with the employees.	4.6	13.8	30.0	34.5	16.2	3.51	1.118
Departmental goals, design and management support the strategy in my Organization	1.5	9.1	21.1	38.6	29.5	3.39	1.130
Overall, strategic planning has influence successful transformation in my organization	3.1	6.2	17.1	48.8	24.8	2.82	1.156

N=132

SD=Strongly Disagree, D=Disagree, UD=Undecided, A=Agree, SA=Strongly Agreed M=Mean, SD=Standard Deviation

The respondents had been asked to give view on how strategic planning affects organizational transformation. The pertinent results are presented in the table 4.13. Forty-three percent of the

respondents agreed that the organizations strategic plan had been shared to all the employees and their objectives were aligned to the strategic plan. Further, 50.4% agreed that the vision and mission of their organization is well understood across the organization. The study also sought to find out if implementation progress is reviewed regularly and changes and accomplishment shared with the employees, 34.5% agreed although there was more or less equal response between those that Agreed and those that were undecided or disagreed. This is maybe because implementation of the strategic plan is discussed at management level and maybe communication to rest of the employees was not adequately shared. Finally, 38.6% of the respondents agreed and 29.5% strongly agreed that departmental goals, design and management support the strategy. Overall, 48.8% of the respondents agreed with a mean of 2.82 and SD of 1.156 strategic planning has influenced successful transformation in the organization

4.5 Transformation

Table 12: Respondents view how transformation has improved performance at KEMSA

Items	%						
	NAA	LE	ME	GE	VGE	M	SD
To what extent do you think transformation in your organization has influenced efficiency	3.8	13.8	13.8	42.3	26.2	3.20	1.158
To what extent do you think transformation in your organization has enhanced service delivery	4.6	16.2	13.8	30.0	35.4	3.04	1.131
The internal processes in your organization encourage employee satisfaction	3.1	6.2	17.1	48.8	24.8	4.04	1.308

N=132

NAA=Not At All, LE=Little Extent, ME=Moderate Extent, GE=Great Extent, VGE=Very Great Extent, M=Mean, SD=Standard Deviation

Respondents were asked to give views on how transformation has improved performance at KEMSA as shown in table 4.14. Given the dimensionality of the three components of Transformation, the scores were computed using simple aggregate of the scores from the three responses as revealed by the study, 42.3% of the respondents agreed that transformation had influenced efficiency to a great extent while 30% indicated that transformation has enhanced service delivery to great extent. Thirty-five percent indicated that transformation has enhanced service delivery to a very great extent. Finally, 48.8% of the respondents indicated that internal processes in the organization encouraged employee satisfaction to a great extent. The overall mean score of 2.89 shows that transformation has enhanced efficient service delivery.

4.6 Inferential Statistics

4.6.1 Correlation matrix

A correlation matrix was run to establish whether there is an association between the variables. Pearson correlation helped in predicting and describing the association between the variables in terms of magnitude and direction. The strength of the correlation was measured based on the Pearson correlation scale. The correlation coefficient ranged from -1.0 to +1.0 and the closer the coefficient was to +1 or -1, the more closely the two variables are related.

Results in Table 13 above shows that there is a positive relationship between organizational transformation and all the predictors as shown by the beta coefficients: Organizational structure ($\beta = 0.213$), Organizational resources ($\beta = 0.242$), Adoption of ICT ($\beta = 0.203$), Strategic planning ($\beta = 0.037$). The following regression equation was established:

$$Y = 1.087 + 0.213X_1 + 0.242X_2 + 0.203X_3 + 0.037X_4$$

The study further found out that there is a significant relationship between the organizational transformation and four of the variable as shown: Organizational structure ($p=0.010 < 0.05$), Organizational resources ($p=0.025 < 0.05$), Adoption of ICT ($p=0.060 < 0.05$) and Strategic planning ($p=0.046 < 0.05$). This therefore implies that organizational structure, organizational resources, adoption of ICT and strategic planning affects organizational transformation at KEMSA. A unit increase will improve the organizational transformation in the company.

Table 13: Correlation Coefficients Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.087	0.401		2.713	0.008
	Organizational structure	0.213	0.081	0.272	2.627	0.010
	Organizational resources	0.242	0.106	0.242	2.289	0.025
	Adoption of ICT	0.203	0.006	0.045	2.442	0.060
	Strategic planning	0.037	0.084	0.049	3.447	0.046

4.6.2 Regression Analysis

A multivariate regression model was applied to determine the form of relationship between institutional factors and transformation at Kenya Medical Supplies Authorities. The predictors were organizational structure, organizational resources, adoption of ICT and strategic planning. The results are presented in table 14

Table 14: Regression Analysis model

Model	R	R Square	Adjusted R Square	Std. Error
1	0.792 (a)	0.627	0.554	0.289

Predictors in the study that remains constant are organizational structure, organizational resources, adoption of ICT and strategic planning. The Adjusted R^2 is the coefficient of determination and tells us how the dependent variable varies with the independent variables. The results show an adjusted R^2 value of 0.554. This implies that there was a variation of 0.554 on organizational transformation and the predictors. This is to mean that the independent variables: organizational structure, organizational resources, adoption of ICT and strategic planning explained over 62.7% of organization transformation at KEMSA at 95% confidence level.

Table 15: ANOVA- Analysis of Variance

Model		Sum of Squares	df	Mean Square	f	Sig.
1	Regression	12.700	4	0.289	3.175	0.002(a)

a) Predictors in the study that remains constant are organizational structure, organizational resources, adoption of ICT and strategic planning.

b) Dependent Variable: Organizational transformation

The study used ANOVA to establish the appropriateness of the regression model to give reliable results. An f-significance value of $p=0.002$ was established. This shows that the regression model has a less than 0.002 likelihood (probability) of giving a wrong prediction. Hence the regression model has a confidence level of above 95%. The value of the critical F is 3.175, this value is less than the calculated F value of 4.733 thus the regression model is reliable.

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The findings indicate that the organizations ability to make decisions faster without a lot of bureaucracy enhances the delivery of service and transformation capability depends in part on the ability of an organization to create embedded processes which links business strategy to the behaviors and performance of individuals and teams. The findings indicate that ample funding is necessary in supporting transformation, accountability of allocated resources and the need for an effective system is important to avoid wastages. Good public financial management system is essential for the implementation of policies, achievement of developmental objectives and effective service delivery. The study sought to find out the impact of ICT on the organizational transformation. The overall mean score of 3.4085. This great response shows that information technology has a huge impact on organization transformation as it provides real time information about the suppliers to aid in making sound appraisal. The findings indicate that a clear vision and mission create clarity, alignment and includes input from all corners of the organization to maximize creativity and shared ownership. This defines the foundation of the organization's culture, true empowerment, and guides decision-making leading to improved service delivery.

Conclusion

This study concludes that organizational structure has positive influence on successful organizational transformation. From the study findings organization structure has sufficient

influence in organization transformation to great extent. For organizations to perform well, roles and expectations should be clearly spelt out to enhance the efficiency. The organizations ability to make decisions faster without a lot of bureaucracy enhances the delivery of service of the organization. Secondly, organizational resources have a positive influence on transformation of organizations. The study concludes that adequate resources are necessary in supporting transformation, accountability of allocated resources and the need for an effective system is important to avoid wastages. Good public financial management system is essential for the implementation of policies, achievement of developmental objectives and effective service delivery. Thirdly adoption of ICT influences transformation of organization. The study concludes that ICT improves accountability and transparency of the processes enhancing the delivery of service. The study also concludes that information technology has a huge impact on organization transformation as it provides real time information resulting in very efficient internal processes. Lastly strategic planning influences transformation of organization. The study concludes that strategic planning defines the foundation of the organization's culture, true empowerment, and guides decision-making leading to improved service delivery.

Recommendation

This study recommends that Organizations endeavoring to transform should consider a functional organizational structure as it allows roles to be divided based on specialty and individuals are dedicated to a single function. This clearly defined roles and expectations and enhances the efficiency of the organization, enhances effective communications and efficient service delivery. Secondly, to implement transformation, organizations require adequate resources at their disposal, the resources available and the personnel capacity will greatly affect the degree to which various quality options will be considered. Organization resources therefore play a vital role in the entire process of transformation. Thirdly; Organizations planning to transform must adopt ICT to enhance accountability and transparency and efficiency of the processes enhancing the delivery of service. Lastly; strategic planning is a must for any organization planning to transform because a well understood organization vision and mission gives the employee an understanding of the direction is taking encouraging total engagement of the employees. A strategic plan will define the objective of the organization enhancing coordination of activities and enhancing service delivery.

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